

Table of Contents

missing

Report for February 1944

NATIONAL LABOUR LEGISLATION.

Government of India.

C 6/2/46

The Coal Mines Safety (Stowing)
Amendment Bill, 1944.

A Bill to amend the Coal Mines Safety (Stowing) Act, 1939, introduced on 7-2-1944 by Dr. B.R. Ambedkar, Labour Member, Government of India, was passed by the Central Legislative Assembly and the Council of State on 23-2-1944 and 29-2-1944 respectively. The Statement of Objects and Reasons appended to the Bill points out that the Coal Mines Stowing Board has sometimes in an emergency to execute protective measures under its own supervision, as where a mine is abandoned, or its ownership is in dispute, or the owner is not in a position to undertake protective measures himself. Specific provision is lacking in the Act conferring the requisite powers for this purpose, including the power to enter upon the property concerned; and protective works executed by the Board run the risk of being tampered with after they have been executed. The Act also fails to make clear that the Coal Mines Stowing Fund can be utilised to defray the cost of stowing operations when these are carried out by any other agency than the owner, agent or manager of the coal mine. The Bill makes provisions to remove these defects.

Under section 10 of the Act a colliery owner has a right of appeal against an order of the Chief Inspector or an Inspector requiring him to undertake protective measures. He is however, required to give effect to the order even though an appeal may be pending.

(The Gazette of India, dated 12-2-1944, Part V, pages 1-2, and The Hindustan Times, dated 1-3-1944). ✓

ECONOMIC CONDITIONS.

Trade of India in 1941-42.

Agricultural Conditions.— The Review of the Trade of India in 1941-42 is largely concerned with the economic forces governing the world at war. The war has influenced India's agriculture no less than her industries, and the forces which affected her foreign trade and thereby completely upset the normal price relationships could not but exert a far-reaching influence on her agriculture also. Moreover, changes in the general requirements of the community all out to mobilise its resources for war effort, altered the relative demands for agricultural commodities. The very structure of India's foreign trade tended to alter under war-time conditions and although its quantum, including trade on behalf of Defence Services, probably increased, its composition was subjected to many changes. In the sphere of agriculture, several commodities the prices of which were normally sustained by the large volume of exports were hit hard by the cessation of trade with the continent and the Far Eastern countries. All the commercial crops from which the cultivator normally derived the greatest profit ceased to be remunerative to the same extent as before and throughout 1940-41 and the major part of 1941-42 the cultivator was faced with large surpluses of these crops. The apparent prosperity which the earlier months of war generated and its continuance up to the fall of France were largely responsible for increasing the difficulties of agriculture which ensued after the cessation of trade with practically the whole of Europe after June 1940 and with Japan, China, Federated Malay States and Australia during 1941. A decidedly opposite trend was however noticeable in respect of the major food crops, wheat and rice. When the war broke out in Europe it was scarcely realised that it would spread to the Pacific and the shipping difficulties it created proved to be greater than those anticipated during the earlier months. The agriculturist could not, therefore, foresee either the dislocation of trade in commercial crops nor could he anticipate the shortage of food-grains which became evident towards the middle of 1940-41.

Another unexpected factor in the food-crops situation was introduced by the shipping difficulties which became acute after the middle of 1940. India was called upon to supply large quantities of wheat to the Near East countries owing to lack of shipping from Australia. Apart from these heavy exports, the demand in India itself both on account of the military and the civil population kept on increasing and towards the middle of 1941 there were unmistakable signs of a comparative shortage of this commodity. The general difficulties of shipping in 1940-41 similarly affected the imports of Burmese rice into India and after the outbreak of war with Japan in December 1941 and the invasion of Burma, any chances of securing Burmese rice disappeared altogether. A vigorous campaign asking the cultivator to grow more food was launched. The war proved the utmost importance of a co-ordinated all-India policy in respect of all the commercial crops which figure so prominently in foreign trade as also the food-crops on which depend the economic goodwill and co-operation among Provinces.

* Office of the Economic Adviser, Government of India; Review of the Trade of India in 1941-42. Published by order of the Governor-General in Council. Published by Manager of Publications, Delhi; Printed by the Manager, Government of India Press, Calcutta, 1943. Price Rs.4 or 6s. 6d., pages 308.

Industrial Conditions.- The conditions for the industrial mobilisation of India were exceptionally favourable throughout the year under review and industrialists were not slow to take advantage of the situation created by the war. Among the factors governing industrial development, pride of place must be given to the international situation during 1942. Apart from the international situation, the conditions prevailing in India also stimulated increased output. The most important characteristic of the year was the comparative absence of labour trouble in the country. There was no general strike in any important industry and the number of working days lost in disputes was the lowest recorded during recent years in which the volume of employment had been satisfactory. In the sphere of public finance conditions were most encouraging; plentiful supplies of money were available at pre-war rates, there were hardly any fluctuations in exchange and the general increase in taxation, despite increased war expenditure, was not very great. On the other hand, a greater volume of employment, the general rise in the purchasing power of the masses and the increasing requirements of Defence Services resulted in straining the productive resources of the country to the limit, and, in the absence of rationing and other checks, civilian requirements kept on competing with those of Defence Services. Industries had thus to cope with a phenomenal increase in demand which was aggravated by the restriction of the imports of consumer goods and the normal pre-war trade in articles of common use. There was also a general improvement in the shipping position and while the value of both imports and exports increased during the year, the increase in the latter was much greater. Certain industries which during normal years did not figure prominently in the export trade were called upon to enter foreign markets during the year and others had to meet increasing demands from foreign countries.

Industrial Profits.- The chain index (1928=100) which was 68 in 1938 rose to 72.4 in 1939 which covered about 4 months of the war. The index rose to 99.6 in 1940. The profit figures for 1941, declared in 1942, are available for 344 companies. They show that the 344 companies included in the index earned a net profit of Rs. 222.8 million as against the profit of Rs. 161 million of the same 342 companies in 1940. The chain index thus shows a rise of about 38 points and is about 39 points higher than the base year 1928 which was regarded as one of the most prosperous years after the end of the Great War. The profits earned in the cotton textile industry, iron and steel industry and in the sugar industry were the largest.

Industrial Prices.- The large increase in industrial production and profits could not have been achieved without the stimulus of better prices. The prices of all industrial products ruled firm throughout the year under review and yielded substantial profits even after allowing for the increased costs of production due to higher prices of raw materials, increased wage bills and greater taxation.

Industrial Production.- The Review points out that practically every industry, big or small, was affected directly or indirectly by the activities connected with war production. The production of munitions had gone up manifold; large sums had already been spent in installing new plants, and a larger expansion project was in hand. While, before the war, the clothing supplies of the Army were made by only one factory, there were in the period under review 10 Government Clothing Factories, employing about ~~more than~~ 100,000 men and turning out about 10 million garments. Parachute equipment, high explosives such as T.N.T., etc., are now being manufactured for the first time in the country. Large plants had also been installed for the manufacture of several chemical

mineral products, alloy steel, aluminium, etc.; and several engineering works and chemical works have come into being. At the start of the war some 600 workshops were known to be available, but their number was now as high as 1500. Apart from the establishments directly contracting with the Government, there are large numbers of small manufacturers now employed as sub-contractors.

Phenomenal expansion has also been witnessed as regards the production of Army boots, and timber and over 30,000 men are now employed in the ship-building and repairing-yards in India. India's domestic production of medical instruments and equipment which was very small in pre-war time, has also shown a remarkable development. The country used to import about 300 items of drugs and dressings, which are now all manufactured in the country.

Industrial Disputes.- There were 359 strikes during 1941 as compared with 322 in the preceding year. The numbers of men involved and working days lost were much smaller than in 1940, being 291,000 and 1,05,503 as against 453,000 and 7,577,000 respectively. Most of the strikes occurred in the cotton and jute industries, which together accounted for 44.0 per cent. of strikes, 70.3 per cent. of workers involved and 66.6 per cent. of the working days lost. In 227 or 63.2 per cent. of the total number of disputes the chief demand related to wages and bonuses. In 186 out of the 359 strikes workmen were successful in obtaining some concessions.

Money Market.- The downward trend of money rates in India noticed towards the close of the previous year became more pronounced during the year under review. The demand for funds during the first eight months was appreciably smaller than in the corresponding period of the previous year, and the level of money rates was lower than in 1940-41. The outbreak of war with Japan led to large purchases of bullion for purposes of speculation and hoarding, and a certain amount of withdrawals from the market. As a result, money rates during the last four months were somewhat higher than in the corresponding period of the previous year. The 12 months' fixed deposit rate advanced at the beginning of the year from 3/4 per cent. to 1 per cent. as a result of the seasonal trade in funds. With the approach of the slack season, it receded to 5/4 per cent. after the middle of June and again to 1/2 per cent. in the second week of August owing to heavy maturities of treasury bills. After minor fluctuations, it advanced to 1.1/4 per cent. in the second week of December and was maintained at that level up to the close of the year.

as banks were willing to accept deposits in order to strengthen their position against possible withdrawals.

Repatriation of Sterling Debt.— A beginning with the repatriation of the sterling debt was made before 1937-38 through purchases in the open market. This operation was temporarily suspended in 1938-39, but resumed in the following year when it was supplemented by acquisitions under the licence scheme of the 22nd February 1940. As the war progressed, India's large acquisitions of sterling enabled the authorities to place the licence scheme by two comprehensive schemes of compulsory repatriation. The first related to India's terminable sterling debt and was announced on the 8th February 1941. The second scheme which was announced on the 24th December 1941 covered the non-terminable part of the debt. It was notified that the Government had taken action to acquire as far as possible the whole of their remaining sterling debt (other than railway debentures, stock and annuities) consisting of the 2 per cent. Stock 1926, the 3 per cent. Stock 1948 or after, and the 2 per cent. Stock 1931 of the aggregate nominal value of about £ 158 million, made up of £ 11 million, £ 70 million and £ 77 million of the respective Stocks. Out of a total sterling debt of £ 276 million or Rs. 3,680 million outstanding at the end of 1936-37, £ 188.26 million had been retired up to the end of March 1942.

Trading Conditions.— Trading conditions were on the whole far more favourable during the year under review than during the preceding year and there was a considerable improvement in the shipping position. The volume of foreign trade during the year under review showed a substantial increase, the total value of exports during the year, being the highest since the beginning of the war. Taking 1940-41 as the worst war year from the point of view of foreign trade, the value of exports during 1941-42 increased to Rs. 2,375.8 million showing thereby an increase of Rs. 506.8 million over the preceding year. This was the highest level attained since 1929-30 and the value was about Rs. 620 million more than the average of the three pre-war years ending 1938-39. This very large increase in the value of exports was partly due to the higher level of prices prevailing in India, but in many cases, it also represented a substantial increase in the quantities exported. The value of import trade has not increased to the same extent as that of export trade. The increase in the former is Rs. 163.3 million (total Rs. 1,733 million) whereas in the latter case it is 506.8 million (total Rs. 2,375.8 million). Moreover, in most of the cases in which an increase in value has been recorded, the increase was either accompanied by a decline in quantity or was out of proportion to the increase in quantity. This was a natural result of the various import controls, the difficulties of obtaining articles both from the U.K. and the U.S.A., the production of which required specialised skill and precision machinery and the necessity of conserving exchange.

Balance of Trade.— The merchandise balance of trade in favour of India increased to Rs. 799.2 million as compared with Rs. 419.9 million in the preceding year. The increase, as compared with the figure for the previous year of Rs. 173.9 million, was Rs. 625.4 million. This increase was due to genuine factors governing India's foreign trade such as, the increased demand for Indian goods, reduced imports due to various restrictions and the inability of Great Britain to export any large quantities of manufactured goods. It may be emphasised that the above exports do not include the value of stores exported abroad for Defence purposes nor do they include the value of imports on this account. It is however probable that the net gain in export values on account of Defence Services

ould be considerable and that the above figures for balance of trade would be much greater if the Defence Services operations are also included in the above figures.

Quantum of Trade of India.- With the separation of Burma the figures of the quantum of trade which were calculated from 1927-28 to 1936-37 would no longer be used to illustrate the changes in the volume of trade of India proper. The labour involved in recalculating these figures for all the years from 1927-28 would be enormous and it has not been possible to undertake it. Figures on the basis of India proper have, however, been calculated for the last seven years and for 1927-28 which was the base year of the earlier series. During the year under review the quantum of exports was higher by only 6 per cent. while the value of exports showed an increase of 27 per cent. as compared with the previous year. The import trade showed a reduction in volume to the extent of 9 per cent. while in terms of value it advanced by 10 per cent. during the same period. ✓

Railway Budget for 1944-45. ✓

The Railway Budget for 1944-45 was presented in the Central Assembly on 16-2-1944 by Sir Edward Benthall, Member for War Transport, Government of India. The results of the financial working of railways for 1943-44 are indicated below:

The financial results for the three years are:

(In millions)

	1942-43 (Actual)	1943-44 (Revised)	1944-45 (Estimate)
Receipts	Rs. 1,554.8	Rs. 1,785.0	Rs. 1,920.0
Expenditure.....	Rs. 1,104.1	Rs. 1,347.3	Rs. 1,397.9
Surplus.....	Rs. 450.7	Rs. 437.7	Rs. 522.1

General revenues will get this year Rs. 313.7 millions and Rs. 108.4 millions will be transferred to Railway Reserve. Other points in the statement are: (1) Large locomotive imports from America, (2) Purchase of M. & S.M.Rly., S.I.Rly., the Gujrat Railway and the Dhamra-Bombay Railway, (3) No new construction projects, (4) Doubling 75 miles in certain sections of Bengal-Nagpur, Bengal-Assam and E.I.Rly., and (5) An increase in rail fares of all classes by 25 per cent. from 1-4-1944 "as long as present conditions exist".

Sir E. Benthall's Speech: Increase in Passenger Fares.- Passenger fares, except for suburban season tickets, will be raised by 25 per cent from 1-4-1944. The additional earnings are estimated at Rs. 100 millions. They will not be shared between general revenues and railways but will be placed in the Railway Reserve specifically earmarked for expenditure on lower class travel amenities.

Works Programme.- Against a works programme of Rs. 581.7 millions which includes Rs. 80 millions for the purchase of the Madras and Southern Mahratta and South Indian Railways Rs. 5.2 million for the balance of the purchase price of the Bengal and North-Western and Rohilkund and Assam Railways and Rs. 6.7 million for the purchase of the Gujrat and Dhamra-Baramati Railways, there is a provision of Rs. 517 millions of which Rs. 287 millions from capital and Rs. 230 millions from the Depreciation

nd), out of which no less than Rs. 342.4 millions is for rolling stock. Mr. Edward Benthall disclosed a picture of rising receipts and growing expenditure combined with an ever increasing strain on railways. With no increase in the number of engines and coaches and negligible increase in the number of wagons, the railways have in the first six months of the current year achieved 8.6 per cent. more freight-ton-miles and 30 per cent. more passenger-miles, the bulk of the latter increase being under civilian traffic. Steps are being taken to increase bus service in areas where the effort is likely to suffer from the existing congestion of passenger traffic. Publicity campaign against unnecessary travel is also to be intensified.

Amelioration of Workers' Conditions.- In December, 1943, 521 grain shops functioned and 7,76,000 ration card holders were served with 915,000 maunds (1 maund = 82 lbs) of food. The estimate of loss on grain shops is Rs. 100 million in the current year and Rs. 115 million in the next, when a further expansion is expected in the range of commodities. The possibility of the establishment of cost price canteens to provide for the necessities of life of higher paid railwaymen is also under investigation. It has been decided to abolish the Lower Gazetted Service in due course but the proposal is not being proceeded with at present in order to avoid piecemeal reorganization. In due course, a comprehensive review of the salaries of all Government servants in the light of economic conditions which may be expected to prevail is foreshadowed.

Post-war Reconstruction.- Planning of post-war reconstruction has been taken up by the Railway Board and the principal subjects on which the Railway Board are concentrating, in addition to the problem of rehabilitation, are (i) the implementing of the decision to construct locomotives in India, (ii) the improvement of the amenities of travel, particularly for lower class passengers, (iii) development of staff welfare work, (iv) the improved handling of post-war traffic, (v) the participation of railways in road services and (vi) the development of railways in accordance with the general policy of road and rail transport. Placing of Rs. 100 millions, the proceeds from the 25 per cent increase in passenger traffic, was the first positive move towards the financing of post-war reconstruction. The programme for lower class passengers' amenities covers improvements to lower class coaches and the provision of additional new coaches of improved design, to provide more space per passenger, the relief of overcrowding by the provision of bus services, overhead water metering for the coaches, an extension of waiting sheds and improved amenities therein, waiting rooms for lady passengers, sanitary latrines, vendors' shops and stalls, improved booking arrangements, plantation of shade trees and improved water supply, washing places, platforms and more overbridges.

Increase in Railway Fares.- Speaking about the justification for increasing passenger fares by 25 per cent, the Railway Member declared that it must be at once admitted that the total enhancement of these fares during the war, the extent of which was summarized by the Chief Commissioner in his Budget speech last year, is negligible compared with the rise in the price of practically all other commodities and services. For wheat which fetched Rs. 10 before the war the farmer today gets Rs. 40; but the farmer can transport his wheat in full wagon loads for any distance at the same cost as before and on average a journey which then cost Rs. 10 today costs the farmer less than Rs. 10-8-0. Rail transport and travel are among the cheapest things in India today. Uncomfortable though travel is, it is unquestionably good value for present-day money, the overall increase being only 4-1/2 per cent. on pre-war fares, and, with money to

and nothing else much to spend it on, the public will naturally feel more. The statistics of passenger travel, which were quoted, demonstrated the rapid increase in travel and it is not a mere coincidence that the increase took place in the period in which inflationary tendencies were more prominent. It will be argued that an enhancement of fares will be a burden on lower class passengers. There is no discrimination proposed between the classes, and it cannot be denied that the lower class passengers and passengers will pay their share. But the increase in the number of passengers, mainly lower class, and the figures of prices are conclusive of that such people are in an increasingly better position to afford travel. It is the conditions of these passengers and of the poorer masses of the railwaymen and of the masses which in the post-war period to be particularly improved.

There are three good reasons for increasing fares today: (1) the fact that such an increase may have on reducing passenger travel; (2) the deflationary effect owing to the immobilization of a substantial volume of currency and (3) the opportunity of taking the first step towards building a fund for post-war reconstruction purposes. As regards the first, the experience of 1917, when in similar conditions fares were increased, is likely to be repeated. Action then was followed by a decrease in the number of passengers travelling and, although after a year the number had increased, it did restrict the number who would have travelled had there been no increase in fares. In present conditions increasing fares, except to a penal extent, will not alone so reduce travel as to prevent overcrowding. The deflationary effect, combined with other measures which Finance Member may take, will be a very valuable contribution to the solution of inflation which is India's most pressing economic problem now. An increase in goods rates on the other hand, although it would be thoroughly justified on the general level of prices, would, unless there were other compensatory action, tend to have an inflationary effect which it is desirable to avoid. The argument in favour of building up a fund is a sound amount and irrefutable. "The Governments of the future would rightly blame our shortsightedness and lack of courage if we failed to put them in a position to carry through the post-war plans which we are preparing for their fulfilment".

(The Hindustan Times, 17-2-1944).

Debate on Railway Budget: (1) Cut Motion regarding 25% increase in passenger fares.— The main attack on the Railway Budget was in regard to the proposed 25 per cent increase in passenger fares. The matter was raised in the form of a cut motion, moved by Mr. B. Das, that the demand under the head: "appropriation to reserve" be reduced by Rs. 100 millions— the amount expected from the increase in fares. The main arguments against the increase were: (1) It was iniquitous to ask that third class passengers bear the same rate of increase as for higher class passengers in view of the general poverty of the public travelling by the class and the extremely comfortable conditions of present day third class travel. (2) Railway travel in India, as the War Transport Member claimed, was not the cheapest in the world; comparing the average income in Britain with that in India, the cost of travelling in India was about 400 per cent dearer than in England. (3) People did not travel in these days for pleasure or because they had more money. (4) The measure is far from being anti-inflationary. (5) Asking people to pay now in order to have better amenities in a possibly distant future was hardly fair.

The cut motion when pressed to a division, was carried by 51 votes against 46, the Muslim League, Nationalist, Unattached and some Independent Members voting for the motion.

(2) Cut Motion Re: Post-war Reconstruction.- On 25-2-1944 Sir F.E. Mes moved a cut to discuss the general financial position of railways, with special reference to post-war development. He pointed out that in the post-war years, the Indian railways would be faced with a dwindling income, increased working expenses, high cost of materials, a drive for betterment of conditions of travel, and the need for renewal of workshop plant, rolling stock and track. There would also arise the question of improvement of the existing lines and development of new lines. Estimating that the war would last for two more years, Sir Frederick said, ^{that} railway resources at the end of this period, which would be about Rs. 1,600 millions, would not be enough. He thought railways would need greater assistance from the general revenues. The inadequacy of the railways' means to meet the present situation was largely due to the past policy of curbing railway development. Rehabilitation and reconstruction of railways was an indispensable element in any programme for India's agricultural and industrial development, and he thought it would be unwise to postpone all investigation and inquiry until after the war.

Sir Edward Benthall in his reply, gave an outline of the programme of post-war reconstruction under the heads: rehabilitation, locomotive manufacture, improvements, staff welfare, amenities of travel, and construction of new lines. He estimated that the total expenditure under all these heads during seven years after the war would amount to Rs. 3,190 millions. They would have to spend a large amount of money on repairs and renewals on account of the present heavy wear and tear, he estimated that expenditure on rehabilitation would amount to Rs. 1,250 millions. As regards locomotive manufacture, Government had decided to ~~do so~~ and they were finalizing the blueprint of plans. As soon as they were ready, Government would order the machinery. Staff welfare schemes, like housing schemes, etc. were likely to cost Rs 480 millions in seven years. They had plans to construct 14,000 miles of new lines and if the whole scheme was worked out, it would cost about Rs. 560 millions.

The motion was rejected by the House.

(3) Cut Motion re: Compulsory Provident Fund of Railwaymen.- On 2-2-1944 Mr. N.M. Joshi moved a cut to reduce the demand under the head "Railway Board" by Rs. 100 to urge the extension of compulsory provident fund to all railway employees. Mr. Joshi, moving his cut, said that at present railway employees who were drawing less than Rs. 20 per month were not admitted to the compulsory provident fund system with the result that out of a total of 700,000 railway employees only less than 200,000 derived the benefit of the provident fund. After considerable agitation and presentations, Government had agreed in 1941 to give the option of joining the provident fund to employees getting between Rs. 15 and Rs. 20 per month who had put in more than 15 years' service. In 1943 this period of service was reduced to 10 years. If compulsion was thought necessary in the case of higher paid employees who were better able to put by some money, it was much more necessary in the case of the ignorant and illiterate lower paid workers who could not look after themselves.

Mr. Jannadas Mehta, supporting the motion, said that one ~~argument~~ argument advanced against extending the benefit of the provident fund to all was that it would cost the railways Rs. 7.2 million a year. But Government thought nothing of incurring an expenditure of Rs. 3.7 million

10

nual in 1927 to give what were known as the Lee concessions to a few hundreds of their employees.

Col. Wagstaff, replying for Government, pointed out that at the time on the question of extending the benefit of the provident fund was considered, Rs. 7.2 million was regarded a considerable sum. Today when people were talking in hundreds of millions, this might appear a paltry sum. Government had twice liberalized their provident fund scheme, in 1941 and then in 1942. By the first advance, an additional 63,000 men were included in the benefit with the option to join the fund, and by the second advance, another 186,000 men had benefited. He was in a position to say that Government would make a further advance and reduce the period of service, but he could not say at present what the reduction of the period would be.

Mr. N.M. Joshi said that the reply given by Col. Wagstaff was not at all satisfactory and so he did not agree to withdraw the motion. On being passed to a division, the motion was carried by 43 votes to 42.

(4) Cut Motion re: Inadequate Dearness Allowance.— Mr. Jannadas Mehta moved a cut in the Railway Budget to discuss the "meagre dearness allowance" given to railway workers. Mr. Mehta, moving his cut, ~~pleaded~~ pleaded for fair treatment for 700,000 railway workers and their families. He pointed out that the cost of living index had gone up to 250 compared with the pre-war level. Taking the case of a worker getting Rs. 50 a month, he stated that the railways were now giving him a dearness allowance of Rs. 8 and relief in the shape of cheap grains equivalent to Rs. 9-6-0. Both ~~these~~ totalled no more than one-sixteenth of the increased cost of living. Giving full compensation of 100 per cent for the railway worker, Mr. Mehta ~~intended~~ intended that the dearness allowance committee presided over by Sir Theodore Gregory had recommended 100 per cent dearness allowance. Mr. Mehta said that the whole committee favoured this recommendation except for one alternative suggestion of 75 per cent dearness allowance.

Mr. N.M. Joshi declared that Government could not plead lack of money as an excuse, for railways were making enormous profits. Mr. Joshi cited the case of workers on a level of Rs. 25 a month and said that their condition was even worse than that of the cases mentioned by Mr. Mehta. An official committee in Bombay had recommended that the minimum living wage for a worker in that city should be about Rs. 50 a month. The railway worker at present was getting only about Rs. 37-8-0, including dearness allowance and cheap grain, thus being short by about Rs. 13. The worker could get full compensation to cover this gap. He cited the examples of England and America where, he said, workers got full compensation in addition to increases in wages to meet war-time conditions.

Mr. Frank Anthony stated that the plight of the middle-class worker who was getting from Rs. 250 to ~~200~~ Rs. 300 per month, was as serious as that of the inferior worker.

Sir Edward Benthall, War Transport Member, replying to the debate, said that in arriving at their policy in regard to dearness allowance for railway workers, the Government had to consider the views of other ~~departments~~ departments, as well as provincial governments, and could not take an independent line of action. The Government were constantly reviewing this intricate all-India problem. The dearness ~~allowance~~ allowance scheme had cost the Government Rs. 76 millions, the cheap grain shops scheme had cost Rs. 100 millions last year, and the combined relief afforded by these two schemes amounted to 50 or 60 per cent of the pay of the railway worker. Sir Edward contended that

11

lway workers would have suffered a great deal if the Government had not
 ned the grain shops. The effect of this action was to stabilize the
 ceipal items of the poor railwayman's budget round about the prices
 ch ruled in August, 1942, i.e. before the big rise in prices took
 ce. He informed Mr. Anthony that the Government were trying to inaugu-
 s "cost price canteens" to help the sort of people to whom Mr. Anthony
 referred, and he maintained that the benefits which would accrue as a
 ult of the extension of the scope of the cheap grain shops and stabili-
 ion of the cost of living at the August, 1942, level would be real. Any
 cease was therefore, less justified now than before.

The motion was rejected with the President's casting vote, 42 persons
 ing voted on either side.

(The Statesman, 22, 25, 26 ~~and~~ 27-2-1944). ✓

Budget of Government of India for
1944-45. ✓

The Budget of the Government of India for 1944-45, excluding the
 lways, was presented to the Central Assembly on 29-2-1944 by Sir Jeremy
 sman, the Finance Member. The Budget disclosed a revenue deficit of
 924.3 millions for the current year and a prospective deficit of
 782.1 millions next year to be met by borrowing (Rs. 547.1 millions) and
 taxation (Rs. 235 millions). Indirect taxes will yield Rs. 150 millions
 direct taxes Rs. 85 millions. India's expenditure during 1944-45 will
 about Rs. 10 millions a day, of which Rs. 7.5 millions a day will be
 at on defence.

Budget Figures.— The following table gives the budget figures at a
 ice:

Revised Estimates for 1943-44.

Revenue	Rs. 2545.0 millions.
Expenditure	Rs. 3469.3 millions.
Deficit	Rs. 924.3 millions.

Budget Estimates for 1944-45.

Revenue	Rs. 2849.7 millions.
Expenditure	Rs. 3631.8 millions.
Deficit	Rs. 782.1 millions.
Fresh Taxation	Rs. 235.0 millions.
Net Deficit	Rs. 547.1 millions.

Defence Expenditure.

Revised Estimates for 1943-44:

Revenue Portion	Rs. 2626.4 millions.
Capital "	Rs. 383.0 millions.

Budget Estimates for 1944-45:

Revenue Portion	Rs. 2766.1 millions.
Capital "	Rs. 246.0 millions.

New Taxation Measures.— The new taxation measures taken, by which
 235.0 millions of the total deficit of Rs. 782.1 millions will be
 red, include:

(1) Income and Super-tax increases.— Relief is given at the bottom of the existing scales of income-tax by raising the taxable minimum from Rs. 1,500 to Rs. 2,000. In regard to incomes up to Rs. 10,000 no change is made but on the slab of income from Rs. 10,000 to Rs. 15,000 the Central surcharge is to be increased by 2 pies in the rupee from 16 to 18 pies, in addition to the basic rate of 24 pies; and on the balance above Rs. 15,000 the surcharge will be increased by 4 pies from 20 to 24 pies, in addition to the basic 30 pies. As regards super-tax, there will be an increase of half an anna in the Central surcharge on the slabs of income between Rs. 35,000 and Rs. 200,000. Corporation tax will also be raised by one anna to a rate of 3 annas in the rupee but a rebate of one anna in the rupee will be given on so much of a Company's total income as is not distributed in dividends other than dividends ~~payable at a fixed rate~~ is payable at a fixed rate. A special provision is being made for life insurance businesses by which the combined rate of income-tax and super-tax is limited to 63 pies, which was the combined rate for Companies fixed by the 1942 Finance Act. It is also proposed to give retrospective effect to this provision for 1943-44. From these changes in rates the additional revenue is estimated at Rs. 85 millions.

(2) Increased Customs Duties on Tobacco and Spirits.— The emergency surcharge on import tariff levied during the last two years continues, but the rate has been increased from one-fifth of the basic duties to one-half in the case of tobacco and spirits; the additional revenue expected from these increases is Rs. 10 millions.

(3) Increased Excise Duties.— Rates of Central excise duties on manufactured tobacco, cigars, etc. have been increased, and this is expected to yield Rs. 100 millions. Central excise tariff is to be levied on ~~beverages, tea and coffee~~ yield Rs. 40 millions.

Compulsory Deposit.— In order to check inflation, two kinds of proposals have been made; the taxation measures summarised above and measures of compulsory deposit by making provision for advance payments of tax on income from which tax is not now deducted at source. The income mainly affected will be income from property and from business, ~~profession~~ profession or vocation. The main outlines of the scheme, are as follows: the assessee will have the option to pay tax quarterly either on the basis of his last assessed income or on the basis of his own estimate of current earnings. Government will pay 2 per cent, interest on all sums paid in advance under the scheme but if the assessee's own estimate, which can be revised during the year, falls short of 80 per cent. of the tax determined by regular assessment, penal interest at 6 per cent on the difference will be payable. No penal interest will be payable where the assessee chooses to pay on the basis of his last assessed income. The sums collected will be treated not as revenue but as deposits to be taken to revenue when the regular assessments are made.

As regards Excess Profits Tax, no change either in the rate which is $2\frac{2}{3}\%$ or in the proportion of the tax, namely one-tenth, which is to be paid to the assessee has been made. But the compulsory deposit of one-fifth of the tax which was prescribed in Ordinance No. XVI of 1943 is to be increased to $19/64$ of the tax. The effect of this will be to mobilise as deposits the whole of the excess profits remaining after P.T. has been paid on them and income-tax and super-tax has been paid on the balance.

Death Duties.— The Provinces, on whom so large a share of the burden of the future inevitably falls, will need expanded resources.

Government of India has therefore under active consideration the possibility of an estate duty on non-agricultural property, which would be levied by the Centre but of which the proceeds would be assigned to the Provinces. In spite of war-time taxation it is indisputable that enormous private fortunes have been made during the war, aggravating the great inequality which already existed. Even on a modest programme of reconstruction a large sum will be needed for the post-war development of the country, and there is manifest justification for a system of death duties whereby the large fortunes will be laid under contribution. The Government of India has encountered certain initial difficulties, but it is hoped to overcome these and to be in a position to place a carefully prepared Bill before the Legislature at a subsequent session.

Lend-Lease.- The original scheme of India's entering into a direct Mutual Aid Agreement with the U.S.A. had to be given up in view of the difficulty of determining India's post-war policy in certain respects at this stage. The Government of India nevertheless have accepted the principles underlying Mutual Aid, and continued to receive lend-lease supplies and services from the U.S.A., and to grant Reciprocal Aid in return. The estimated cost of Reciprocal Aid to be afforded to the U.S.A. on present information during the years 1943-44 and 1944-45 is about Rs. 260 millions and Rs. 430 millions respectively. The total cost of such aid to the end of 1942-43 was Rs. 122.5 millions so that the estimated ~~gross~~ progressive total amount to the end of 1944-45 is a little more than ~~Rs. 810~~ Rs. 810 millions. It is not possible at present to assess the total financial benefit that India will receive as a result of ~~lend-lease supplies from the U.S.A. during the same period will amount~~ because the allocation of lend-lease goods and services received in India between the Government of India and H.M.G. has not yet been determined. Assuming that lend-lease goods and services continue to be received in India at approximately the same rate as is obtaining now, the total value thereof up to the end of 1944-45, may be estimated to be about Rs. 3,500 millions.

Industrial Research.- Provision is made in the Budget for a grant of Rs. 1 million for the construction and equipment of glass and fuel research laboratories and for general planning for other institutions. The Government of India has asked the Council of Scientific and Industrial Research to draw up plans for a co-ordinated scheme for the advancement of research on the assumption that Rs. 10 millions will be forthcoming towards capital expenditure on a chain of research institutions. The institutions in contemplation, in addition to the two already mentioned, are a National Physical Laboratory, a National Chemical Laboratory and a National Metallurgical Laboratory. The balance of Rs. 10 millions will be spread over a period of three or four years after the cessation of hostilities. This step, it was claimed, is a practical expression of the Government's resolve to foster the development of Indian industry and which will serve as an incentive to private enterprise to support industrial research. A beginning in according such support has been made by the Tata Trust with a donation of Rs. 2 millions, of which Rs. 830,000 is towards a National Chemical Laboratory and Rs. 1.17 millions towards a National Metallurgical Laboratory.

Sterling Balances.- ~~Indian~~ India's sterling credits continued to grow during the year on account of the recovery of war expenditure from H.M.G. and Allied Governments and the purchases from the market, resulting from the current trade surplus. It is estimated that the holdings of the Reserve Bank as on the 31st March, 1944, will be approximately Rs. 9,500 millions. The question of these large balances continues to engage ~~the~~

Government's attention. So far as concurrent utilisation is concerned, possibilities of repatriation of the public debt have very nearly been exhausted as the year saw the final stage of the programme of repatriation.

India is also taking steps to participate in international monetary negotiations that may be organised in the post-war period. For this purpose plans for reconstruction and development, including a forward policy of industrialisation, are now being laid. The early implementation of these plans will, however, be dependent to no small extent on external finance. This aspect of India's post-war problem was discussed with H.M.G. in connection with the acceptance by India of the General principle of the extension of reciprocal aid to raw materials and foodstuffs. The H.M.G. have agreed in this connection, and as an integral part of the reciprocal aid arrangement, to set aside each year from now onwards a part of the dollars accruing from India's exports to the U.S.A., apart from and in addition to India's current dollar requirements which are met from the Empire dollar pool under the usual sterling area arrangements. These amounts will be held in a dollar account by the Reserve Bank of India with the Bank of England and will thus be immediately available for India's development purposes after the war.

Post-war Planning.— The provision of capital equipment from overseas will be powerfully assisted by India's possession of large sterling balances. The difficulties which are likely to arise, in at least the next post-war decade, from competing claims for capital equipment and from transfer difficulties associated with the balance-of-payments position of the United Kingdom should not be ignored. Again, to utilise the whole of these balances and at the same time the whole increment of foreign exchange accruing from current exports, would leave India with a wholly inadequate currency. Some external reserves seem to be absolutely indispensable, and, therefore, it is unrealistic to assume that foreign balances, actual or prospective, could in any circumstances be fully available for reconstruction finance. As regards the 15-year plan recently announced by certain Indian industrialists (vide section: Social Policy in War-Time: Post-war Reconstruction, in this Report) the Finance Member confessed "to a feeling of misgiving regarding the extent to which the financing of post-war development could be based on 'created money'.....In so far as development projects are concerned with capital investment, a time-gap will necessarily intervene between initial investment and final completion, during which time no addition to the national income in real terms will take place to offset the inflationary effect, and by the end of that time prices will already have risen. Again, if development projects such as education and public health are to be financed in this way, the effect will be still more marked. For, although improved health and higher standards of education are important elements of national well-being, their influence on national production and on national income, is of a more remote and indirect nature, whilst the influence on money-incomes and on demand created as a result of inflation will be direct. I must say in justice to the authors of this proposal that they are aware of the dangers involved and propose to counter these effects by drastic over-all controls imposed by a strong Central Government..... Could so comprehensive and drastic a control be effectively ministered in the conditions of this country, with the internal inflationary pressure rising rapidly with each succeeding year? It would hardly not be wise to force the pace of post-war development at the cost of imposing such severe limits on the standard of living during the development period, at the cost of further accentuating the disparities of

health which inflation inevitably entails, or at the risk of a financial and economic collapse before the objective itself could be reached".

The first pre-requisite of reconstruction finance is a sound financial position, both at the Centre and in the Provinces, secured by the fullest development of their respective taxation resources. There is no reason, given the will to find money for peace on the scale on which it has been found for war, why resources should not be forthcoming to an extent which could not possibly have been envisaged in pre-war days. Any Provinces have already started exploiting their revenue sources and building up reconstruction funds, as a result of which they will embark in the post-war period with an improved revenue position and a useful cash balance. But the magnitude of the problem is so great that the Provinces will undoubtedly need all the financial assistance that the ~~United~~ Centre may be in a position to give. A review of post-war budgetary position indicates that, on the assumptions of a reasonably speedy rate of demobilisation after the conclusion of hostilities, the maintenance by concerted international effort of full production and employment, and a determination on the part of the Government of the day to utilise to the full the taxable capacity of the country, it might well be that, after one or two deficit years, revenue surpluses would emerge beginning in the fourth or fifth year to the order of Rs. 1,000 millions per annum. With all-out borrowing continued in accordance with the technique developed during the war, it is by no means fantastic to visualise total resources for the purposes of reconstruction during the first effective quinquennium approximating to the Rs. 10,000 millions level; and this excludes any estimate of direct private investment. It would be reasonable to assume that estimates for the subsequent five-year periods could be related to the actual results of the first quinquennium in a sort of geometric progression.

" The immediate task of investigation and planning is already well in hand, and some of the official reports and data which are now under the consideration of Government will shortly be released for the information of the public. These constitute the essential raw materials of any practicable plan of development, but equally important is the preparation of a sure foundation of sound finance capable of carrying with safety the edifice to be erected upon it. This edifice can itself be made both stronger and larger if the individual schemes of which it is composed are designed as to be in their revenue aspect as remunerative as possible, and if high priority is accorded to such of them as can contribute directly to an increase in material wealth and prosperity and thereby reinforce the public revenues".

Dearness Allowance for Staff. With the approval of the Standing Finance Committee the Government of India last revised its scheme of dearness allowance in June 1943 when the Government of India further increased the rates and raised the limits of pay up to which the allowance is admissible. The Government is now considering a measure of further liberalisation. Under the existing scheme it is expected to spend this year on this object, in respect of Central Government servants other than those paid for from Railway and Defence Estimates, almost Rs. 225 millions. In accordance with the general antiinflationary policy, which favours the provision of cheap supplies wherever practicable, the Government has extended to Central Government servants the benefits of schemes adopted, to secure this object, by the Governments of Assam, Bengal, Bihar and the P., and have made similar arrangements involving concessional prices for certain foodgrains to the employees in Delhi and Simla on pay ~~not~~

ceeding Rs. 300. These measures are likely to cost, this year, about 4.1 millions. The Government prefers, however, to tackle these problems by measures of wider applicability, which affect living conditions throughout the country.

(The Gazette of India Extraordinary, dated 29-2-1944, pages 499 to 521). ✓

The Mysore Board of Scientific and Industrial Research Set up. ✓

With a view to widening the scope of activities in the field of industrial research, and to maintain more effective contact with the Board of Industrial and Scientific Research of the Government of India, the Government of Mysore has reconstituted the Board of Industrial Planning and Co-ordination in Mysore under the name of the Board of Scientific and Industrial Research.

(The Times of India, 1-2-1944). ✓

Industrial Research Committee Setup by Government of India

In accordance with the resolution passed at the last meeting of the governing Body of the Council of Scientific and Industrial Research, a committee has been appointed, with Sir R.K. Shanmukham Chetty as Chairman and eight other members including Sir S.S. Bhatnagar (Director, Board of Scientific and Industrial Research), who will act as the Secretary of the committee. The terms of reference of the Committee are as follows :
a) To make a survey of the facilities for the scientific and industrial researches existing in India, including the Indian States—in the universities and research institutions and laboratories attached to ~~industries~~ industrial and other concerns; (b) to report on the steps and measures that should be taken to promote, direct, control and organise industrial and scientific research by private firms, research institutions, States and other research establishments; and (c) to report on such other steps as may be taken towards further industrial and scientific researches in post-war India.

It is understood that the Committee will take about three months to complete both its investigations and submit its report. The Committee is expected to visit the Tata Research Laboratories, the Indian Science Institute, Bangalore, the Research Laboratories under the Government of India and the Calcutta and Madras Universities in the course of their investigation.

(The Times of India, 8-2-1944 and The Hindu, dated 10-2-1944). ✓

17

The Indian Coconut Cess Bill, 1944,
Referred to Select Committee. ✓

A Bill to provide for the creation of a fund for the improvement and development of the cultivation, marketing and utilization of coconuts in India, was introduced in the Central Legislative Assembly on 7-2-1944 by J.D. Tyson, Secretary, Department of Education, Health and Lands, Government of India. In a statement explaining the objects and reasons of the Bill it is pointed out that with the enemy occupation of one of the world's principal coconut-growing countries an acute shortage of coconuts has developed abroad and it has become necessary to secure an immediate increase in the production of coconuts in India in order to meet, as far as possible, from internal sources India's increased demand for coconut products for essential purposes, military and civil. There is every reason to believe that present production can be substantially increased in a comparatively short time by the adoption of better cultural and agricultural practices and that the process of extracting the oil is similarly susceptible of considerable improvement. The time also appears opportune to provide for and initiate the agricultural and production research necessary to render possible a general intensification of coconut production, the better utilisation of the coconut and coconut products and the rehabilitation of the industry. Government therefore considers it necessary to set up immediately an Indian Central Coconut Committee on the lines of the Indian Central Cotton Committee and other similar bodies, to be an independent source of income, for the improvement and development of the growing, marketing and manufacture of the coconut in India and for the protection and safeguarding of the interests of all branches of its production and manufacture, from the producer to the consumer. An exception will be made in the case of coir and coir manufactured goods, which will, for the present, be excluded from the purview of the proposed Committee. The cess proposed is at the rate of three rupees two annas per ton of copra consumed in a mill in British India whether produced in or imported from outside India.

In the course of the debate on the Bill in the Assembly, Mr. N.M. Joshi suggested that consumers and labour should also be represented on the Central Committee. Mr. Govind Deshmukh pleaded for the inclusion of growers instead of capitalists.

The Bill was referred to a Select Committee.

(The Gazette of India, dated 12-2-1944, part V, pages 4-10, and the Hindustan Times, dated, 11-2-1944). ✓

18

Working Class Cost of Living Index for
Various Centres in India during June,
1943. ✓

The index number of the cost of living for working classes in various centres of India registered the following changes during June, 1943, as compared with the preceding month:-

<u>Name of Centre</u>	<u>Base=100</u>	<u>May 1943</u>	<u>June 1943.</u>
Calcutta	Year ending June 1934	227	232
Madras	Year ending July 1927	198	211
Bombay	Year ending January 1938	171	184
Delhi	August 1939	317	361
Coimbatore	1931-35	370	378
Chennai	August 1939	319	336
Madras	Average cost of living for five years preceding 1914.	338	577
Delhi	Ditto	307	449
Delhi	Ditto	369	607
Delhi	Year ending June 1936	173	179
Delhi	Ditto	188	196
Delhi	Ditto	197	199

(Monthly Survey of Business
Conditions in India for June,
1943). ✓

Textile Industry.

East African Cotton for India:
Agreement between Government of
India and East African and Sudan
Governments. ✓

According to a press note issued by the Government of India on 1944, as a result of discussions which have recently taken place between the Government of India and representatives of the Sudan and East African Governments, it has been agreed that the 1944 East African cotton (less the quantity supplied to the United Kingdom) should be sold to India at the price of Rs. 945 per candy, delivered ex-dock Bombay for Kampala quality and at corresponding prices for other grades. This agreement applied to all sales made by authorised importers after February 8, 1944. An agreement on similar lines has been arrived at, subject to ratification, by the Sudan Government, regarding the prices of Indian cotton.

(The Times of India, 10-2-1944). ✓

Indo-Egyptian Agreement re. Purchase
of Egyptian Cotton by India. ✓

As a result of negotiations held at Cairo between India and Egypt during the second and third weeks of February, 1944, it has been decided that India can resume her purchases of Egyptian cotton under certain conditions, and that, except in the case of certain high quality cottons, purchases should continue, as far as possible, through normal trade channels. In view of the necessity for providing adequate quantities of suitable varieties of Egyptian cotton at reasonable prices, a controlled purchase scheme has been formulated to regulate India's purchases during the current year ending August 31, 1944. According to this scheme allocations will be made from time to time to the various mills with due regard to their actual requirements on the one hand and the ~~same~~ quantities available in Egypt on the other.

(The Hindustan Times, dated 23-2-1944). ✓

MIGRATION.Indians in South Africa: Report of the High Commissioner for 1942*.

The following salient points regarding Indians in South Africa during 1942 are taken from the Annual Report of the High Commissioner for India to the Union for the year ending 31-12-1942.

Indian Penetration.- The findings in the report of the Breeme Commission had been accepted by both Europeans and Indians in Natal as in favour of the Indians. The report, while listing a considerable number of cases of Indian "penetration", particularly in Durban, felt that it was within reasonable bounds and as a result of natural processes of change. The report did not reassure a large section of the European community. The Durban City Council tried to secure the support of the Minister of the Interior to the expropriation in European interests of the best sites owned and occupied by Indians inside Greater Durban. During the latter months of 1942 it became apparent that Indian purchases of property in the predominantly European areas were going on at an increased rate. Indian professional and business-men were naturally on the lookout for more comfortable houses than those in the admittedly "Indian areas" to which European public opinion sought to confine them. During December 1942, the Minister for the Interior announced that he proposed to appoint E. Justice Broome, this time as a sole commissioner, to investigate the accuracy of certain allegations of penetration made by the Durban City Council.

Indians and War Effort.- Despite differences with the European elements and Government over Indian rights, Indians cooperated with the Union Government whole-heartedly in the war effort.

South African Indians Abroad.- During 1940, the Minister of the Interior agreed to condone the extension of the validity of certificates of Indians visiting India beyond the three-year period provided satisfactory evidence was produced that the reason for their failure to return to South Africa was the difficulty of obtaining passages. During the month of August 1942, the Commissioner for Immigration and Asiatic Affairs stated that the Union Government were now prepared to accept any reason arising out of war conditions for a condonation of an extension beyond the three-year period, provided application was made in time.

War Pensions Act.- A Bill was introduced in the Union Parliament to amend and consolidate the law relating to War Pensions. The existing law on the subject gave non-Europeans, other than natives, three-fifths of the benefits awarded to Europeans. Mr. Hofmeyr's bill, however, incorporated separate schedules for non-Europeans, both as regards disablement pensions and allowances and pensions to widows and allowances in respect of children of deceased non-European volunteers other than natives. The general intention of the measure was to grant greatly increased pensions and allowances and it was generally welcomed. So far, however, as Non-Europeans are concerned the result in some cases has been to reduce by a very large amount the existing payments. A very serious discrimination has also been made with regard to the age at which children's allowances cease. For Europeans the age limit is 21 in the case of a girl and 18 in the case of a boy. The corresponding age limits for non-Europeans are 16 and 14. In the course of his reply to the High Commissioner's representations, Mr. Hofmeyr made certain statements which

seemed to indicate that the age limits referred to above do not apply to children attending secondary and technical schools and universities. The Indian representative bodies were, therefore, asked to see that parents of such children continued to apply for allowances.

Social Security Conference and After.— During the session of Parliament the Labour Party introduced a motion demanding the institution of a system of social security in the Union. In the course of the debate, the Prime Minister made a notably sympathetic speech. In September, a conference was held in Durban, convened by Mr. J.R. Sullivan, a Union economist. From the Indians' point of view the most notable feature of the discussion was the striking difference of opinion that arose on the question of framing separate codes for separate communities which make up the Union's population. The suggestion was that the European, Coloured, Native and Indian communities were to contribute on different scales and receive different benefits. The High Commissioner addressed a letter to Mr. Sullivan, which, while expressing no opinion on the general principle of racial differentiation in the code, pointedly enquired why the Indian contributions and benefits were on a much smaller scale than those proposed for Coloureds. The economic status of the two communities was very similar and in the High Commissioner's opinion there existed no statistical or economic background for the proposed differentiation. The reply received was vague.

Later in the year the Mayor of Johannesburg summoned a meeting to discuss the formation of a committee in Johannesburg to formulate proposals for a scheme of social security. The organisers decided to give non-Europeans direct representation both on the General Committee and on the Executive Committee.

Durban Housing Scheme.— As part of a grand seven-year housing scheme which involves substantial redistribution of the population on racial lines, the Durban City Council proposed to expropriate the old established Indian area of Riverside for the benefit of Europeans. The project was bitterly opposed by the Indian community, and in the month of February 1942 the Minister of the Interior sent the Central Housing Board to Durban to examine the proposals and to try to arrange a modification of the scheme which would meet Indian objections. In their report to the Minister the Central Housing Board made substantial modifications in the proposal of the City Council. The Riverside area was recommended for expropriation, but not solely for the benefit of Europeans. The Board proposed that 600 plots should be set aside for an Indian housing scheme. Minor modifications were proposed in the schemes for other areas. The Indian community had been deeply agitated by the proposal to expropriate Riverside. Even in this respect, however, the Central Housing Board's recommendation was vague, as it did not clearly specify where the Indian area was to lie, and there was, therefore, the suspicion that the Indians would be given the less desirable part of the locality. As it happened, the European opposition to the Central Housing Board's modifications of the original scheme made it impossible for the City Council to proceed with it and the scheme was dropped.

Pietermaritzburg Housing Scheme.— The Pietermaritzburg Municipality had drawn up a housing scheme for Indians but the Central Housing Board took objection to it in some respects. As a result nothing has been done and the High Commissioner has now asked the Central Housing Board to specify its objections, with the object of pushing on the scheme.

Nutrition Conference.- With the co-operation of a group of Europeans in Natal, the High Commissioner convened a conference in Durban, on 1-7-1942, to discuss the possibility of improving the quality of food given to Indian school children. There has for some time been a Committee in Durban called the "Food for Needy Indian School Children" Committee. As a result of the Conference, the Union Government has agreed to place the services of a dietitian at the disposal of the Committee to investigate the nature of the diet now given to Indian school children.

Unemployment among Indians in Natal.- The annual report of the Director of Indian Immigrants for 1941 revealed a high rate of unemployment among Indians in Natal. In 1940, the number employed was given as 34,000 out of a total of 40,151 Indian men. In 1941 the figure given was 26,000 employed out of a total of 40,928. The Protector was asked for an explanation and in reply stated that on examination he had discovered that the figures for all years prior to 1941 were inaccurate and showed a much higher level of employment than actually existed. The attention of Professor Burrows of the Natal University College was therefore drawn to the need for a more accurate estimate of the extent of unemployment in different trades and industries in which Indians are normally employed, and he has promised to make a special study of the matter and incorporate the results in the survey which he proposes to publish in the near future.

Anti-Indian Feeling in Natal.- The position of the majority of Natal Indians is reported to be becoming increasingly precarious. Although the Indians' aptitude for skilled and semiskilled employment is still far ahead of the natives, there is a perceptible growing native encroachment into the spheres which the Indian has come to regard as his own. This tendency develops along three converging lines:- (1) The Native is slowly gaining opportunities, and generation by generation will improve in skill. (2) It is still easily possible to evade the principle supposed to be embodied in the Wage Determination Act of equal pay for equal work irrespective of race. It is therefore even now in certain cases a paying proposition to take on Natives who are less efficient than Indians. (3) The Natal European feels that the doctrine of trusteeship imposes on him certain responsibilities towards Natives. He has however little or no sympathy for the poor Indian who in his opinion can look for support to his richer brethren. ~~Rapes~~

Natal Education Ordinance.- An ordinance was introduced into the Natal Provincial Council during April 1942, to consolidate and amend the law relating to education in the province. It provided for the first time free education for Indian children in Government and Government-aided schools up to ~~standard VI~~ standard VI and to that extent is a distinct advance on previous legislation. There remain however a number of discriminations against Indians. Representations have been made bringing these discriminations to the notice of the Government.

As a result of representation, the Minister for Education announced the appointment of a departmental committee to go into the whole question of University and Technical education for Indians in Natal, with the Secretary of Education, Mr. F.D. Hage, as chairman. The report of the Committee was published in the second half of 1942; the more important recommendations were: (1) that an Indian technical college be established at Durban, and adjoining it a science building for teaching the four pre-medical sciences, but that no University College for Indians be established at present on the ground that there is no prospect of

23

ufficient full-time students; and ~~the~~ (ii) that the Natal University College be asked not only to continue and expand the University classes for non-European students at present conducted by it in certain arts, science and law subjects, but that it should make itself ~~also~~ also responsible for the teaching of the four pre-medical sciences.

But since the European residents near the site suggested for the Technical College were opposed to this 'penetration' by Indians in their area, the Finance ~~Committee~~ Committee of the Durban City Council decided to vote against the grant of the site. No final decision had been reached till the end of the year on the suggestion made by the Commissioner for the grant of an alternative site in Durban.

(Summarised from the Annual Report of the High Commissioner for Indian India in the Union of South Africa for the year ending 31st December, 1942, Published by the Manager of Publications, Delhi, Printed by the Manager, Government of India Press, Simla, 1944, price Re. 1/2/- or Is. 9d., pages 16).

AGRICULTURE.C.P. Government's Irrigation Scheme. ✓

The Government of C.P. and Berar has sanctioned a scheme for ~~the~~ construction and repair of agricultural wells. The scheme envisages ~~the~~ construction of 3,500 wells, and ~~repair~~ repair of 1,000 existing wells. In the case of the former, the Government will grant interest-free loans up to Rs. 500, for each well, repayable in five years, while in the case of the latter, up to Rs. 200 for each well, the cultivator being required to repay only Rs. 80 for every Rs. 100 advanced to him.

A sum of Rs. 1,560,000 has been provided as advances for expenditure and Rs. 390,000 for subventions.

(~~The~~ Vanguard, dated 3-2-1944). ✓

Reclamation of Waste Lands in Bombay:
Rs. 150 Millions Scheme. ✓

About 15,000,000 acres of waste land will be brought under the land development and reclamation scheme by the Bombay Government as part of ~~ix~~ its post-war reconstruction plan. The total cost of the scheme is estimated to be Rs. 150 million and its execution is expected to extend over a period of five years or more. ~~Preminx~~ Preliminary work is reported to have begun, and for this, tracts of land which are most liable to periodic famines have been ~~chosen~~ chosen. In Bijapur district, the worst famine-stricken area in the Bombay province, 70,000 acres of land has been covered so far under the scheme, and some tracts in Sholapur district, extending over nearly 2,500 acres, have already been developed.

(~~The~~ Vanguard, dated 3-2-1944). ✓

Requirements of Agriculturists:
Motion for Adequate Supply at
Controlled Rates Passed by
Council of State. ✓

The Council of State, on 24-2-1944, passed Mr. Hossain Imam's resolution urging the Government of India to take steps to **ensure** adequate supply, at controlled rates, of the requirements of agriculturists in the country.

Moving the resolution Mr. Hossain Imam pointed out that the Government of India had done little to make available at reasonable ~~thing~~ prices those articles and necessaries of life which an agriculturist needed. Apart from the shortage and high prices of daily necessities like kerosene oil, cloth and medicines, the prices of agricultural implements, housing materials like cement and brick, and manure were very high and agriculturists were finding it more and more difficult even to

continue cultivation of lands. In the matter of drugs, Government had taken some steps to control the prices, but, on account of lack of adequate imports, drug control was not so successful as textile control. Mr. Imam also pointed out that planters in certain parts of the country were not able to get agricultural machinery like tractors and winnowing machinery, which Government could arrange to import from the United States of America. He was not asking Government to take any new line, but only to give some priority for the essential requirements of agriculturists. He therefore suggested that priority be given for the procurement and supply of the essential requirements of agriculturists.

During the debate on the resolution, emphasis was laid on the hardships of agriculturists and ryots who got very little in return for their products. Mr. K.S. Roy Chowdhury suggested to Government that in requisitioning foodgrains from the agriculturist the authorities should allow the producer to keep enough for himself and his family and for ~~his~~ his seed requirements. He quoted the instance of a district magistrate who would allow only half a pound of grains per day for an adult agricultural labourer and nothing for a child.

Replying to the debate on behalf of the Government, Mr. B.R. Sen said, that Government had taken up the question of increased supply of consumers' goods to agriculturists very seriously and was doing its best in the ~~matter~~ matter and added that arrangements were being made for manufacture of agricultural implements and other rural requirements. Government had entered into a contract with the Bata Shoe Company for the manufacture of six million pairs of shoes; roughly about 50 per cent of the woollen goods produced would be available for civilian needs; additional manufacturing capacity was also being secured for other consumers' goods such as paper, cutlery and crockery; and the possibilities of increasing the present available supplies of kerosene oil was also being considered. Efforts were also being made to import from the United States and the United Kingdom larger quantities of consumers' goods generally in demand in the country.

Mr. N.R. Pillai, Secretary, Commerce Department, Government of India, pointed out, referring to drug shortage, that shipping space had been secured for importing about 85 per cent of the country's drug requirements.

(The Hindustan Times, 25-2-1944)

Irrigation and Hydro-Electric Schemes for North India; Survey in Progress.

Combined hydro-electric and irrigation schemes affecting the Punjab, U.P., Bihar and Orissa have been the subject of a survey carried ^{out} by Sir William Stampe, Irrigation Adviser to the Government of India, and Mr. Savage, American expert on the designing of dams. These schemes will not only help to industrialise the countryside but in many areas of drought will encourage irrigation by making available sub-soil water. The sites inspected include the Tons Valley where a joint Punjab-U.P. power and irrigation project is being explored, the Sarda Valley in the U.P., and the Ken and Sone Valleys in Bihar where power generation would ~~at~~ lead to the electrification of parts of U.P. and western Bihar and also contribute towards developing a chain of electrically worked tube-wells in

those areas. The schemes involve the creation of large storage reservoirs in the upper portions of the river valleys.

^{The}
(Vanguard, the dated 10-2-1944)

EDUCATION.

Central Authority to Organise Universities. ✓

A Central controlling authority to organize university education in interests of the country as a whole is suggested as part of the plan post-war educational reconstruction which was approved by the Central Advisory Board of Education at Paroda, in January, 1944. (~~most of~~ The other important decisions of the Board were referred to at pages 32 to 34 of report for January, 1944). The object and importance of such a body explained by Mr. John Sargent, Educational Adviser to the Government India, at a Press Conference held at New Delhi on 31-1-1944.

What is contemplated is something on the lines of the University Grants Committee in Great Britain. The central commission should consist of a few eminent men not directly connected either with Government or particular university. Its main function would be to settle the assessment and distribution of all grants from public funds and to enable universities to plan ahead. The commission should also be empowered to encourage private benefactions; to co-ordinate university activities with a view to avoiding overlapping and to adjusting the output of universities to the economic needs of the country; to examine and advise upon all schemes for major developments; to prevent undesirable competition between universities and to remove all inter-provincial barriers; to arrange for inspection of universities periodically with a view to ensuring the maintenance of standards; to establish cultural contacts and to arrange the exchange of teachers and students with foreign universities.

(The Statesman, dated 1-2-1944 and
The Hindustan Times, dated 2-2-1944). ✓

SOCIAL POLICY IN WAR TIME.Wages.3 Months' Bonus for Indore Mill Workers:
Indore Government Orders Payment. ✓

About 30,000 workers of all the nine textile mills in Indore State went on general strike at the close of January 1944 as a protest against the Indore Government's and millowners' dilatory methods in deciding the issue of bonus to workers which had been pending for the last six months. As a result of negotiations, on 13-2-1944, the Indore Government ordered under Section 10 of the ~~Indore~~ Indore Trade Disputes Act that all the cotton mill workers be granted bonus equivalent to three months' basic wages for the year, i.e. 25 per cent. of the basic wages earned for the period from 1-1-1943 to 31-12-1943, that all badli (substitute) workers, irrespective of the number of days worked by them, shall also be entitled to bonus, and that the bonus ordered as above shall be paid in one instalment by 25-2-1944 by all the mills.

(The Bombay Chronicle, 2-2-1944
and The Hindustan Times, dated
15-2-1944). ✓

Working of the Railway Concession Price
Grain Shops for Railway Workers. ✓

A scheme under which all Railway servants are entitled to obtain foodgrains for themselves and their families from Railway grain shops at concession rates has been in operation from June 1943. The ~~scheme~~ scheme is not completely uniform over all the Railways, but there is a ~~considerable~~ considerable measure of uniformity. Articles supplied in the shops are foodgrains like wheat, rice, jowar, bajra, and pulses, sugar and ~~gur~~ (molasses), salt, spices like chillies, tamarind, etc., ~~ghee~~ kerosene oil, tea, soap, matches, standard cloth (at prices fixed by the Textile Commissioner) and cloth other than standard cloth. The Railways have, from the beginning, adopted certain limits for issues of articles sold in the shops, although absolute uniformity has not been possible on account of various factors. In the case of principal foodgrains, the single adult ration has varied between 15 and 20 seers (1 seer = 2lbs.) per month and the family limit between 40 and 70 seers per month. In areas in which civil rationing schemes are in force, the Railways have adopted the civil ~~and~~ scale of rationing. In respect of other articles, the actual rations have depended on the supply position.

The grain shops were originally organised to make ~~and~~ foodgrains available to all classes of railway servants on an actual cost basis. There was, therefore, no reason to deny the facilities of such shops to any particular class. When concessional rates were introduced later, the withdrawal of these facilities from the higher-paid staff was considered unnecessary.

There are now over 520 shops, of which 130 are in travelling vans. Over 775,000 railway employees are ~~receiving the benefit of~~ receiving the benefit. During December 1943, the aggregate relief afforded to the staff was calculated at Rs. 6.5 million. The average relief ~~per ration card holder~~ ^{with a} per ration card holder throughout the country was Rs. 8-6-0.

(The Vanguard, 10 and 20-2-1944). ✓

Dearness Allowance to Local Board Employees in Madras Province.

In November 1943, the Government of Madras directed District Boards and Municipal Councils in the Province to pay from 1-11-1943 to inferior servants and menials in their employ a dearness allowance of Rs. 4 per mensem or such sum as would bring their total emoluments to Rs. 18 per mensem whichever was less. The Government has now decided that dearness allowance should be paid with effect from 1-12-1943 to all employees ~~including~~ (including teachers) of Municipal Councils, District Boards and Panchayat Boards, who are eligible for the payment of the allowance at the rates admissible to Government servants of corresponding grades. The allowance for the first time shall be payable on the emoluments for the period from 1-12-1943. The terms and conditions in force for payment of dearness allowance to Government servants are to apply to the officers and servants of Municipal Councils and Local Boards as well.

(The Hindu, dated 4-2-1944). ✓

Mill Shops in Cawnpore. ✓

A scheme under which mill and factory workers draw their supplies of sugar, salt and pulses in accordance with the factory ration system is working satisfactorily in Cawnpore. In most of the industrial concerns affiliated to the Employers' Association of Northern India, ~~which number 130, these articles are distributed at factory shops where foodgrains are available to workers under the Government's rationing scheme at regulated rates.~~ A loss of over Rs. 150,000 from the running of these shops for the month of January 1944 will be reimbursed from the difference between the general and subsidiary cost of living figures which determines the scale of dearness allowance payable to workers. The amount payable in the form of dearness allowance varies in proportion to the rise or fall in subsidiary living cost figures.

According to latest estimates over 350,000 workers benefit by the rationing scheme.

(The Hindustan Times and Statesman, dated 17-2-1944). ✓

Relief to Bengal School Teachers. ✓

A scheme, estimated to cost more than Rs. 5 million is, now being considered by the Government of Bengal for the relief of school teachers in the province. The beneficiaries of the scheme, when it is put into operation, will number about 50,000 — 15,000 secondary and 35,000 primary school teachers.

(The Amrita Bazar Patrika, dated 19-2-1944). ✓

Demand for Increased Dearness Allowance by
Lower Paid C.P. Government Servants.

The General Council of the Ministerial Services Associations of the Central Provinces and Berar has adopted a resolution demanding Rs. 40 per mensem as dearness allowance for all clerks irrespective of pay.

It is understood that a proposal to grant adequate dearness allowance to all Government servants ^{Armed} ~~upto~~ a salary ^{of} ~~of~~ Rs. 200 is under consideration by the C.P. Government. At present only those getting Rs. 125 and below are entitled to dearness allowance.

(Amrita Bazar Patrika, 28-2-44)

Women's Work.Employment of Women in Coal Mines ;
Adjournment Motion Rejected by
Central Assembly. ✓

An adjournment motion to discuss the re-employment of women on underground work in coal mines in India was introduced by Mrs. Renuka Ray in the Central Legislative Assembly on 8-2-1944. Moving the resolution, Mrs. Ray reminded the House that the action of the Government of India in lifting the ban on underground work for women in ~~in~~ mines was a violation of the International Labour Convention on the subject, which India has ratified. She declared that even in England it had not been found necessary to permit women to go underground, and asserted that shortage of labour on coalfields was due to low wages and bad living conditions and that the average ^{monthly} wage in Jharia, even with the present dearness allowance, amounted to not more than Rs. 14 or Rs. 15. It ought to have been possible, she insisted, for the Government to find other means to remedy this shortage of labour without permitting women to work underground.

Mr. N.M. Joshi, supporting the resolution, pointed out that not far from Jharia, in Jamshedpur, the average monthly wage of a worker was about Rs. 30, and that this disparity in wages was the main reason for the shortage of labour in the coal industry.

~~Mr. Jaganmohan Reddy~~ revealed that when he was consulted on the lifting of the ban he agreed to it for reasons of war effort, but he had asked for certain conditions in the matter of welfare amenities before women could be allowed to work underground. He was sorry to find that his conditions were not accepted and the only welfare measure which the Government had taken was the creation of the Coal Labour Welfare Fund.

Dr. Ambedkar, Labour Member, Government of India, replying to the debate, emphasized the temporary nature of the Government notifications permitting women to work underground in mines and made it clear that when it was found that the provision was not necessary it would be immediately withdrawn. He also mentioned the steps the Government were taking to recruit workers from outside for employment in mines. The Government had also insisted that the women should get the same wages as men.

The motion was defeated by 41 votes to 23.

(The Hindustan Times and The Statesman, dated, 9-2-1944). ✓

324

Employment.

Establishments of 8 Employment Exchanges. ✓

Eight employment exchanges have started functioning at Calcutta, Bombay, Ahmedabad, Madras, Cawnpore, Lahore, Nagpur and Delhi and another exchange for Sind is expected to begin work at Karachi very shortly, in pursuance of the scheme evolved by the Central Government for the placement of technical personnel (vide pages 36 to 38 of our November 1943 report). At present the exchanges register skilled and semi-skilled workers in two grades, laid down on a wage basis. Grade I covers workers who are receiving Rs. 2 per day and over in the cities and suburbs of Bombay and Calcutta and Rs. 1-8 per day in other areas. Grade II covers persons receiving Rs. 1-8 and over but less than Rs. 2 per day in the cities and suburbs of Bombay and Calcutta and Rs. 1 and over but less than Rs. 1-8 per day in other areas. At a future date it may be possible to grade persons belonging to each occupation on the basis of their skill. Attached to each Employment Exchange is an Employment Committee, with representatives of both employers and labour, to advise on all matters connected with the working of the exchange. A Central Exchange has been opened at Simla to co-ordinate the work of provincial exchanges.

(The Statesman, dated 19-2-1944). ✓

Department of Unskilled Workers:
Standing Finance Committee approves
Government Scheme. ✓

The Standing Finance Committee of the Central Government approved on 19-2-1944 a scheme for co-ordinating the recruitment and employment of unskilled labour. It was explained by the Government that with the progress of the war employment of unskilled labour was steadily on the increase. Accordingly, a scheme had been evolved for the setting up of Provincial Labour Supply Committees in each province, and under these, District or Regional Committees in areas where labour shortage was already apparent or was imminent. The Committee would watch the labour supply position in the area, co-ordinate and lay down principles governing the recruitment of unskilled labour. The scheme also contemplated the opening of Labour Supply Depots in areas where there was a surplus of unskilled labour, with a view to making arrangements for employment elsewhere in deficit areas. There would be about 12 provincial Labour Supply Committees run at an estimated cost of Rs. 180,000 per annum. The expenditure on a Regional or District Committee would be Rs. 7,000 per annum.

Another proposal approved by the Committee regarding labour was the establishment of Employment Exchanges at a recurring expenditure of Rs. 167,000 per annum, a portion of which was debitable to Defence expenditure as the Exchanges would cater for the demobilized technical personnel of that Department. Provincial Governments would also contribute a share of the expenditure, subject to a specified maximum.

(The Statesman, dated 20-2-1944). ✓

According to an Unofficial Note dated 19-2-44 issued by the Principal

Information Officer, Government of India, the Provincial Labour Supply Committees will take all measures necessary to secure adequate unskilled labour force from each Province for essential work in the Province. They will lay down standards of service conditions, make arrangements for supply of grain, and provide temporary housing, sanitation, water supply and medical relief for all local labour employed in the Province and also advise the Provincial Governments on matters relating to uniformity in dearness and other allowances for local labour and the rates of wages to be paid to local, provincial and contractor-imported unskilled labour in various regions of the Province. Other duties of the Committees include collection of statistical information on the nature of work for which labour is required, the sources of supply of labour, adequacy of existing sources, probable future variations in the supply and wage rates. They will submit monthly returns and reviews to Provincial and Central Governments and report on "surpluses" of labour. The Committees will include representatives of the Central Government, the Provincial Government concerned, and private employers.

In pursuance of this scheme two Labour Supply Committees have already been set up, one at Jubbulpore by the Government of the Central Provinces and Berar (vide page 24 of our report for July, 1943) and the other at Dhanbad for co-ordinating the use of unskilled labour required for coal-mining and other work in the neighbourhood of the collieries. It is understood that other Provincial Governments also have taken up the scheme for consideration. *Bengal has since set up a similar committee in Calcutta*

(Unofficial Note, dated 19-2-1944, issued by the Principal Information Officer, Government of India. *Amrita Bazar Patrika, 26-2-1944*)

Standardisation of Occupational Terms and Wages of Skilled and Semi-Skilled Personnel in India: Inquiry Committees to be set up. ✓

According to a note published in the February 1944 issue of the Indian Labour Gazette the question of standardisation of occupational terms and wages of skilled and semi-skilled personnel in India has been under the consideration of the Government of India for some time past. The Conference of the Chairmen of National Service Labour Tribunals held in New Delhi in December, 1943, recommended that the right approach to the problem would be to appoint in each main industrial province, a small Committee to carry out detailed investigations. Such Committees are being set up immediately in Bombay, Bengal, Bihar and the United Provinces. The composition of each Committee will be :- (1) Chairman, National Service Labour Tribunal- Chairman; (2) Senior Regional Inspector of Technical Training in the case of Bombay, Bengal and the U.P., and the Regional Inspector of Technical Training in the case of Bihar; (3) two representatives of employers; (4) two representatives of employees; (5) the Provincial Labour Commissioner (in the case of Bombay and the U.P.); and (6) The Deputy Director of Training (in the case of Bihar and the U.P.).

The Committees will examine and report on the following matters :- (1) Standardisation of occupational terms. A provisional list of occupational terms has been drawn up in respect of engineering trades and this will be supplied to the Committees; (2) Statistics of wages and methods of wage fixation; (3) The extent to which standard basic rates can be fixed; (4) The possibility of introducing a measure of standardi-

tion in respect of (a) overtime, (b) night work, (c) bonuses such as annual bonus and production bonus, and (d) any other forms of remuneration supplementing the basic rates. The Committees will cover all the occupations included in the provisional list of occupational terms, including managerial grades. They may consider the supervisory grades that have been instructed to concentrate their ~~present~~ on collecting facts and making suggestions in respect of the lower paid staffs. They will also attempt to ~~regulate wages~~ furnish replies to general questions such as—
 (1) whether it is necessary to attempt to regulate wages statutorily;
 (2) if so, whether the regulation should be in the form of a basic national or provincial minimum wage or whether the matter of fixing standard wages for various occupations should be considered for each industry as occasion arises; and (3) in the latter case, the machinery to be set up for fixing wages for various trades and industries.

(Indian Labour Gazette, February, 1944). ✓

War-Time Trends of Factory Employment in India during 1939-1942. ✓

The following points relating to the trends of industrial employment in India during the years 1939-1942 are taken from a note on the subject published in the February 1944 issue of "Indian Labour Gazette". The table below gives the average number of workmen employed in the seasonal and perennial factories belonging to Government and Local Funds and other industries respectively in the four years commencing with 1939.

Table 1.
 Number of workmen employed (in thousands).

	1939	1940	1941	1942	Increase in 1942 over 1939
Government and Local Fund Factories:					
-Perennial	131	168	219	299	+ 168
-Seasonal	1.4	1.0	0.9	0.6	-0.8
All others:					
-Perennial	1,329	1,380	1,631	1,681	+352
-Seasonal	289	295	305	300	+11.0
Grand Total	1,751	1,844	2,156	2,282	+ 531

The above table shows that in the Government and Local Fund Factories, there has been a steady increase in employment in the perennial factories and a continuous decline in seasonal factories. In 1942, the number of employees in the former factories was more than double that of 1939, while in the latter, it came down to less than half of it. Though the absolute increase in employment in the other perennial factories was slightly more than twice that of the increase in the Government factories, the relative increase was only 26.8 per cent. compared with 128.3 per cent. in the Government factories. The increase in the employment in the other seasonal factories was only 3.8 per cent.

37

Distribution of the increase in the different important Provinces:

Table II.

	Madras	Bombay	Sind	Bengal	U.P.	Punjab	Bihar	C.P.	Delhi
Government & Local Fund Industries ..	5.2	43.2	0.6	36.2	25.4	30.3	4.1	5.2	6.5
Others ..	44.7	134.7	2.1	66.8	48.7	25.9	15.3	9.9	6.4
Total ..	49.9	177.9	2.7	103.0	74.1	56.2	19.4	15.1	12.9
Percentage increase over corresponding figures for 1939 ..	25	38	11	18	46	72	20	26	74

Table II gives the distribution of the increase in employment in the nine provinces which account for more than 95 per cent. of the increase. Nearly 80 per cent. of this increase is distributed among Bombay, Bengal, U.P., Punjab and Madras, which are arranged in the descending order of importance in this respect. The relative increase in the total employment is highest in the Punjab and Delhi and least in Sind. Till the beginning of the war Bengal had been occupying the first place in the total employment, with Bombay, Madras, U.P., Bihar and Punjab taking the next five places successively. But due to the differential rates of expansion during the war, Bombay has come out very close second to Bengal. Similarly, U.P. has come very close to Madras, and Punjab has even outstripped Bihar. The war, therefore, has brought about notable changes in the geographical distribution of industrial population.

Main Groups of Industries.

Government and Local Fund Factories.— To have a clear perspective of the nature of changes that have taken place, a study of the trends of employment in the main groups of industries is necessary. The percentage increase in the employment figures for 1942 over those for 1939 in the main groups of factories belonging to Government and Local Funds was as follows: Clothing - 1,241; dockyards - 106; engineering (general) - 105; textiles - 172; railways - 61; telegraphs - 146.

Other Factories.— Table III below gives the number of workers employed in different groups of factories under private management during the period under consideration. Here also is found a notable increase in employment in all groups, though at different rates. Most of this increase in employment occurred only during 1941; and the expectations that further rise might occur in 1942 after the entry of Japan into war, have not materialized. This may be due to the fact that most of the private industries cater to the civilian needs, though in cotton, cement etc. a good portion of the production is taken away for military needs. Increased production to some extent has been achieved by longer hours of work. Again a good deal of expansion has occurred in constructional and other trades, which are not covered by these statistics. In addition, the above figures refer only to British India, and of late there has been a higher rate of expansion in Indian States not referred to in the note.

Table III.

Number of Workers Employed (in thousands)

Perennial	1939	1940	1941	1942	Increase of 1942 over 1939	Percentage increase
Textiles	817	829	953	965	148	18
Engineering	148	159	204	224	76	51
Minerals & Metals	55	62	76	82	27	49
Food, Drink & Tobacco	97	104	120	121	24	25
Chemicals & Dyes etc... .. .	56	57	71	73	17	30
Paper & Printing	44	46	48	49	5	11
Wood, Stone & Glass	52	59	78	82	30	58
Hides & Skins	13	18	24	30	17	131
Miscellaneous	20	22	35	38	18	90

The absolute increase was greatest in textiles, followed by engineering, wood, stone and glass, minerals and metals and food, drink and tobacco groups. But the relative increase was highest in the hides and skins group followed by the miscellaneous, wood, stone and glass, engineering and minerals and metals groups in the descending order. Both the absolute and relative employment are least in Paper and printing. The expansion is greatest in those industries in which war effort is greatest. In the sub-groups of industries showed different rates of expansion. For textiles, absolute increase in cotton and relative increase in wool and miscellaneous textiles was greatest. The jute industry, however, showed a mild increase, and there was even a decline in employment in that industry. In the engineering group, relative increase was greatest in miscellaneous and general engineering, followed by electrical engineering and shipyards. Railways marked only a slight increase. Among minerals group, miscellaneous and foundries sub-groups showed greater increase in employment than iron and steel works. Chemicals and dyes factories showed the maximum expansion in that group while match factories showed a decline in the first year of war. For want of paper, stencils etc., printing works would not show any expansion while the employment in paper mills and pulp factories increased. In the group wood, stone and glass, miscellaneous and glass factories showed the maximum increase followed by cement and brick and tile factories. Thus, in all cases, miscellaneous factories marked a greater rate of increase, indicating that a large number of factories producing new items of goods have come into existence.

(Indian Labour Gazette, February, 1944). ✓

37

Housing.

Office Accomodation in Calcutta:
Town Planning Committee's ~~Own~~
Recommendations. ✓

The Town Planning Committee, recently set up by the local authorities in Calcutta to review the existing office accommodation with a view to ensuring its best use by Government, has recommended to occupiers of office buildings in the Calcutta City to close up their ranks by accommodating near enough smaller branches also in their head office. The Committee also suggested that office accommodation may be re-arranged on the basis of 45 to 45 square feet per clerk.

(Amrita Bazar Patrika, 17-2-1944 and
The Hindustan Times, 19-2-1944). ✓

Textile Industry.

The Indian Woollen Goods (Control) Order,
1944. ✓

The Government of India has, on 12-2-1944, issued under the Defence of India Rules the Indian Woollen Goods (Control) Order, 1944, under which the manufacture, and sale of woollen goods may be carried on only in accordance with the directions issued by the Central Government. The order also lays down the quantity of woollen goods each individual may purchase every year. Hand-woven articles made from hand spun wool are exempted.

(Notification No. 153-Tex.(B)/44
dated 12-2-1944; The Gazette of India
dated 12-2-1944, part I, section I,
pages 167-168). ✓

38

Control Measures.

Control of Distribution and Prices of Coal. ✓

The Government of India's scheme for control of distribution and prices of coal and also for the encouragement of increase of output was discussed at a meeting of the Coal Advisory Committee held at Calcutta on 10-2-1944. The scheme aims at three factors:- (1) to estimate the monthly output of each colliery, (2) to distribute all output by Government at fixed prices, and (3) to encourage production by grant of bonuses on increased output free of Excess Profit Tax.

Government propose to issue an order on all collieries requiring them to furnish to the Coal Commissioner by the 5th of each month a statement of raisings, despatches and the colliery consumption during the preceding month, raisings and colliery consumption for the current month and for each succeeding 3 months. An order under the Defence of India Rules will be issued by Government intimating all colliery owners that with effect from the 1st March, 1944, Government will control the distribution of all coal, whether consigned by rail or despatched by road or stocked on Government account, at prices fixed by Government and that such orders for distribution and fixation of prices will, ~~thereafter~~ thereafter, form the basis of contract between the colliery and each consumer of its coal.

~~With effect from the same date the Coal Commissioner may prohibit the mining of any coal or the manufacture of any hard or soft coke on the ground that it is of insufficient commercial value or that there are no immediate means of disposing of it. The mining of coal and the production of coke, otherwise than in accordance with the Government order, will constitute an offence.~~

The prices of all coal, hardcoke or softcoke will be fixed by Government by a notification on the advice of the Coal Commissioner, after consulting the Calcutta Coal Committee (Advisory) to which will be added for the purpose, a financial adviser and two representatives of commercial consumers.

The target of all coal despatch for sale or stocking under the orders of the Controller of coal distribution will be 22,500,000 tons. This will be divided by the Coal Commissioner into 6 monthly target tonnage for each colliery undertaking.

Bonuses will be paid 6 monthly to each colliery undertaking on the excess of the tonnage disposed of under the orders of the Controller of Coal distribution over the target tonnage for that colliery undertaking. To meet the estimated cost of such bonuses, a fund will be created by a cess on all coal and coke despatched under the orders of the Controller of coal distribution.

(The Amrita Bazar Patrika, dated
12-2-1944). ✓

Central Food Price Advisory Committee. ✓

In pursuance of the recommendation of the Food Grains Policy Committee ~~report~~ that a small Standing Committee should be set up to advise the ~~the~~ Central Government on matters relating to food grain prices, it is understood that a Price Advisory Committee is being formed with Sir Theodore Gregory as Chairman. The Government of India will be represented by ~~ministers~~ ~~of~~ the Education, Health and Lands, Food and Finance Departments. It is reported that other members who will be invited to serve on the committee will be; one representative of the Punjab and Bengal producers, respectively, Chairman of the Grain Chamber, Muzaffarnagar, and a representative each from the Federation of Indian Chambers of Commerce and Industry and the Associated Chambers. The Secretary of the Committee is likely to be the Trade Adviser to the Government of India.

(The Statesman, 1-2-1944). ✓

Calcutta University's Sample Survey
of Effect of Famine in Bengal. ✓

A sample survey of ten of the famine-affected districts of Bengal has been carried out by the Anthropology Department of Calcutta University. Statistics for eight of the districts have so far been tabulated, covering 1 family units with a total membership of 3,840.

"It will probably be an underestimate of the famine to say that ~~the~~ two-thirds of the total population were affected more or less by it", says the head of the department, Prof. K.P. Chattopadhyaya, in his report. "On this basis, the probable total number of deaths above the normal comes well over 3,500,000. The estimate ~~is~~ is subject to probable error inherent in all sample surveys".

The survey found that the death rate had been very different in different areas, ranging from 5.5 per cent in some areas to 22 percent in some others. The figures for infant mortality ~~had~~ been extremely high, the proportion of deaths of children below five years of ~~age~~ ~~having~~ died from 30 per cent to 50 per cent of the total deaths. The death rate among adult men had been much higher than among adult women. In the most affected areas nearly twice as many adult men died as adult women, and in the worse affected areas, the proportion had been even higher. The consequence of this differential death rate had been the loss of members to a large number of families.

Prof. Chattopadhyaya fears that unless a serious and planned attempt is made to set up this large population of women and children economically, the aid doles granted pending such attempts, a high death rate may be expected to occur in this group during the current year. Various social evils, such as prostitution, will also increase unless adequate steps are taken to make these families economically self-supporting.

The survey also revealed the loss of cultivable lands of 25 per cent to 30 per cent of small peasants and professional implements of communities like fishermen. It is suggested that steps be taken to restore

ands to peasants and to supply implements to fishermen and people of
ther such communities, as otherwise these people would soon join the
ank of destitutes.

The high incidence of malaria and other diseases had disabled a
arge proportion of the surviving ^{was} earners from doing any work. In some
f the areas the proportion of such persons (disabled earners) was found
o be as high as 30 per cent at a time. Prof. Chattopadhye considers
hat adequate arrangements for medical help in rural areas should there-
ore form part of any scheme of rehabilitation.

(The Statesman, 20-2-1944).✓

15-Year Plan of Economic Development for India:
Memorandum drawn up by Indian Industrialists*.

A joint memorandum setting forth a 15-year plan of economic development of India was published in the middle of January 1944 by eight leading Indian industrialists and economists: Sir Parushotamas Thakurdas, Mr. J. R. D. Tata, Mr. G. D. Birla, Sir Ardeshir Dalal, Sir Shri Ram, Mr. Kasturbhai Lalbhai, Mr. A. D. Shreff and Dr. John Mathai. In publishing the memorandum, the authors state that their object is "to put forward, as a basis of discussion, a statement, in as concrete a form as possible, of the objectives to be kept in mind in economic planning in India, the general lines on which development should proceed and the demands which planning is likely to make on the country's resources". The memorandum does not deal with the organisation, methods and technique for carrying out the plan. The problems of distribution and state control are not included in it and the authors annex state that a separate report will be issued by them on these questions. The authors have made two basic assumptions: (1) that it will be a national Government which will be executing the plan; and (2) that India will be treated as a single economic unit.

Objective of the Plan.— The principal objective of the plan is to bring about a doubling of the present per capita income within a period of fifteen years from the time that the plan comes into operation. Allowing for an increase in population of 5 million per annum, which is the rate disclosed by the last decennial census, it is estimated that a doubling of the per capita income with a period of fifteen years will necessitate a trebling of the present aggregate national income. To achieve this increase, it is proposed that the plan should be so organised as to raise the net output of agriculture to a little over twice the present figure and that of industry, including both large and small industries, to approximately five times the present output. This would still leave the economy mainly agricultural in the sense that the greater part of the population would continue to be engaged in agriculture and allied occupations although the present preponderance of agriculture would be considerably reduced.

Food.— Although India is an agricultural country, a large proportion of its population does not get enough food to eat. A still larger proportion fails to obtain the right kind of food. Studies made by nutrition experts suggest that a well balanced nutritive diet for an adult in India should be as follows:

~~XXXXXXXXXXXXXXXXXXXX~~

* A brief Memorandum outlining a plan of economic development for India by Sir Parushotamas Thakurdas, J. R. D. Tata, G. D. Birla, Sir Ardeshir Dalal, Sir Shri Ram, Kasturbhai Lalbhai, A. D. Shreff and John Mathai, 1944, Printed by S. Ramu, at the Commercial Printing Press, (Prop. Tata Sons Ltd.) 105, Cowasji Patai Street, Fort, Bombay, pages 54.

42

OUNCES PER DAY PER ADULT

Cereals	16	Fruits	2
Pulses	3	Fats & Oils	1.5
Sugar	2	Whole Milk	8
Vegetables	6	or Meat, Fish and eggs	2.3

The per capita requirements of a balanced diet in India would amount to about 2,800 calories per day. It is estimated that at pre-war prices the cost of a balanced nutritive diet of the type mentioned above would be approximately Rs. 65 per annum for a growing adult and very little less for a growing child. At this rate an annual expenditure of Rs. 2,100 crores (1 crore=10 million) would be required to keep the existing population of 389 millions, well nourished.

Clothing. In the light of figures of per capita consumption of textiles in the various countries, ~~published~~ by the I.L.O. in its publication, The World Textile Industry, the estimate made by the National Planning Committee (vide pages 30-31 of our December 1938 report) of the minimum requirements of clothing in India viz. 30 yards per person may be regarded as reasonable. To reach this norm, India would require on the basis of the 1941 population figure 11,670 million yards of cloth and at a cost at the rate of 3½ annas a yard would amount to Rs. 255 crores.

Housing. On the basis that a person should have about 3,000 cubic feet of fresh air per hour, the accommodation required would be about 100 square feet of house room per person. The number of houses in India ~~is~~ according to the 1931 census is 70 million: 10 million in towns and 60 million in villages. The number of persons per house, which was 5 in 1931, increased to 5.1 in 1941. It is not possible to indicate the average living space available per person although the information regarding industrial cities known shows the existence of overcrowding of an extreme type. In the Bombay province, for example, the average floor space per person in industrial areas was 27.58 square feet in Bombay, 43.04 square feet in Ahmedabad and 24.03 square feet in Sholapur in 1938.

If one is to provide 100 square feet of house room per person, which has been mentioned above as the minimum needed, the average house should have an area of at least 500 square feet so that it can accommodate 5 persons. In rural areas the cost of building such a house is assumed to be in the neighbourhood of Rs. 400 and in urban areas twice as much. On a rough estimate, the total expenditure required for this would be about Rs. 1,400 crores. At 7½ per cent of the total capital expenditure including the value of existing housing, the yearly cost of maintenance would be Rs. 258 crores.

Health Services. India has a birth rate of 33 and a death rate of 11.8; infant mortality (of those under 1 year) is 167 per 1000 live births; the average expectation of life is 26.91 for males and 26.56 for females. Preventive measures against infectious diseases and sanitation have been adopted so far have touched but the fringe of the problem. In respect of water supply it is known that out of the 1,471 towns in British India in 1939, only 253 towns with a population of 13 million had protected water supplies and the position of conservancy and sanitation was no better. In rural areas the position is still worse. Provision for maternity and child welfare work both in urban and rural areas is extremely inadequate. More than 50 per cent of the deaths that occurred in 1939 were among those who come within the scope of maternity and child welfare services. So far as medical facilities are concerned, in 1939 there were about 7,300 hospitals and dispensaries in British India with provision

48

for about 74,000 beds. The average population served by each hospital and dispensary works out to about 41,000 and the proportion of population per bed is 4,000. The number of doctors and nurses in India is 42,000 and 4,500 respectively, which means one doctor for 9,000 persons and one nurse for 86,000 persons. For a minimum standard of living the criteria which laid down in respect of preventive and curative measures include the following: (i) proper arrangements in respect of sanitation and water supply in rural and urban areas; (ii) a dispensary for every village; (iii) general hospitals and maternity clinics in towns; and (iv) specialized institutions for the treatment of tuberculosis, cancer, leprosy, venereal diseases etc.

(Rs. Crores)	Non-recurring Cost.	Recurring cost.
Sanitation, water supply etc.	100	7.5
Rural dispensaries	132	141.9
General hospitals	22	16.5
Maternity clinics	8	6.6
Specialized institutions	19	12.5
Total	281	185.0

Education.— The percentage of literacy above the age of 5 in India to-day is 14.6. To provide adequate facilities for primary education, it is necessary to have a school for every village at least up to five forms. The cost of establishing primary schools would amount to Rs. 86 crores. The recurring cost of making primary education compulsory to boys and girls between 6 and 11 years of age at an average expenditure per pupil of Rs. 15 in rural areas and Rs. 25 in urban areas per annum. The total recurring expenses will be Rs. 88 crores per annum. The cost of working the whole of the present adult population literate will be Rs. 66 crores. Secondary education, University education and Scientific education and research work require another Rs. 149 crores.

Minimum National Income.— The aggregate amount of income required to meet the barest requirements of human life, would be as follows:

(Rs. crores)	Income required to be spent—round figures.
Cost of food	2,100 2,100
Cost of clothing	260
Recurring expenditure on housing	260
Recurring expenditure on health and medicine	190
Recurring expenditure on primary education	90
Total	2,900

This means that, in order to secure a minimum standard of living, per capita income of Rs. 74 at pre-war prices is essential.

Industrial Production.— It is an important part of the proposals regarding industrial development that in the initial stages attention should be directed primarily to the creation of industries for the production of power and capital goods. Apart from its importance as a means of quickening the pace of industrial development in India, it will have the effect of ultimately reducing dependence on foreign countries for the plant and machinery required and, consequently, of reducing

requirements of external finance. The proposal, however, is subject to this important qualification that provision should be made at the same time for the manufacture within the country of the most essential classes of consumption goods, as otherwise a great deal of unnecessary hardship may be caused during the planning period. In the production of these essential consumption goods, the fullest possible use should be made of small scale and cottage industries. This will, besides providing employment, reduce the need for purchasing expensive plant and machinery. Industry is expected to account for a non-recurring expenditure of Rs. 4,480 crores.

Agricultural Production.— There are three fundamental questions viz. the size of holdings, indebtedness and soil erosion which have to be tackled to start with. When these have been tackled, agricultural production in India can be increased by (i) extending the area under cultivation or by (ii) improving the yield per acre or by (iii) a combination of both. The total expenditure to double agricultural production is estimated to be Rs. 1,095 crores non-recurring and Rs. 150 crores recurring.

Communications.— India is very backward in the development of railways, roads and coastal shipping. With an area of about 1,580,000 square miles, she has only 41,000 miles of railways and the proportion of road mileage to area works out at 35 miles per 100 square miles. The targets under the plan are an increase of 21,000 miles in railways and 300,000 miles in roads. For the development of coastal shipping, the aim should be to improve the small natural harbours that are scattered along India's extensive coast line and to provide them with loading and unloading facilities. The total cost involved in all these is Rs. 897 crores non-recurring and Rs. 49 crores recurring.

Cost of the Plan.— The total expenditure which the plan is likely to involve is summarized below:

(Rs. crores)	Non-recurring expenditure	Recurring expenditure
Industry	4,480	-
Agriculture	1,095	150
Communications	897	49
Education	267	237
Health	281	185
Housing	2,200	318
Miscellaneous	200	-
Total	9,420	939

All recurring expenditure, except that for depreciation and replacement, is in effect working capital and for estimating the total amount of capital which the plan is likely to require, it should be combined with non-recurring expenditure. On this basis the total capital requirements of the plan would amount to about Rs. 10,000 crores distributed as follows:

(Rs. crores)	
Industry	4,480
Agriculture	1,240
Communications	940
Education	490
Health	450
Housing	2,200
Miscellaneous	200
Total	10,000

45

Indonesian - The amount of capital which the authors expect to get from the various sources is summarized below :

(Rs. crores)

EXTERNAL FINANCE:		
Hoarded wealth	300	
Sterling Securities	1,000	
Balance of trade	600	
Foreign borrowing	700	
		2,600
INTERNAL FINANCE:		
Savings	4,000	
'Created money'	3,400	
		7,400
Total		10,000

Stages of Development. - For purposes of execution, the plan outlined in the memorandum has been subdivided into three plans, each covering a period of five years. The expenditure to be incurred during each of these plans is indicated below :

(Rs. crores)	First plan	Second plan	Third plan	Total
Industry	(790)	(1,530)	(2,160)	(4,480)
Basic industry	480	1,200	1,800	3,480
Consumption goods industry	310	330	360	1,000
Agriculture	200	400	640	1,240
Communications	110	320	510	940
Education	40	80	370	490
Health	40	80	330	450
Housing	190	420	1,590	2,200
Miscellaneous	30	70	100	200
Total	1,400	2,900	5,700	10,000

(A copy of the memorandum: "A Plan of Economic Development for India" was sent to Montreal with our Minute D.1/194/44 dated 10-2-44). ✓

Post-war Planning of Roads: Government Plans approved by Standing Committee for Roads. ✓

The question of post-war planning for road development was discussed recently at a meeting of the Standing Committee for Roads under the chairmanship of Sir Mohammad Usman, Member for Posts and Air. The Committee was informed that the Government of India had decided to appoint a Development Officer with a view to accelerating post-war planning of roads. This officer will visit all provinces and important Indian States to ensure that preliminary programmes are prepared with ~~expeditious~~ expedition. The Committee was also informed that the Government of India had decided to appoint a "Plant Committee" to deal with the question of fixing the types and details of the road machinery required after the war. The Committee approved the principle that provincial allocations from the

46

Road Fund may be utilized to meet the cost of planning staff and sanctioned provisionally a grant of Rs. ~~100,000~~ towards the cost of an experimental strip of soil stabilized road.

(The Statesman, dated 20-2-1944). ✓

Terms of Reference of the Labour Investigation
Committee set up by Government of India. ✓

Reference was made at page 67 of our report for December 1943 to the appointment of a fact-finding committee by the Government of India, in pursuance of resolution adopted by the Tripartite Labour Conference in September 1943. The Committee, which will be known as the Labour Investigation Committee, consists of Mr. B.V. Rago, I.C.S. (Chairman), Mr. S.R. Deshpande, (Director, Cost of Living Indices, Government of India), Dr. Ahmed Mukhtar, and Mr. B.P. Adarkar (Secretary). The terms of reference of the Committee are : (a) to collect data relating, inter alia, to wages and earnings, employment, housing and social conditions of labour and, in particular, of industrial labour in India, and (b) to investigate and report, inter alia, on the following matters:- (1) the risks which bring about insecurity, (2) the needs of labour, by various classes, to meet such risks, (3) the methods most suitable for meeting such risks, and (4) housing and factory conditions.

On 14-2-44 the Committee ~~has~~ started on an all-India tour lasting about nine weeks during which it will see conditions of labour in mines, plantations and industries in about 15 centres in the United Provinces, Bihar, Bengal, Central Provinces and Berar, Madras, Bombay, Punjab, Mysore, and Hyderabad.

(Resolution No.L.4012, dated 2-2-44,
The Gazette of India, dated 19-2-44,
part I, section 1, page 204 and
Unofficial Note dated 15-2-44, issued
by the Principal Information Officer,
Government of India). ✓

Post-war Civil Aviation in India:
Discussions in Central Assembly. ✓

In the course of the debate on a Bill to amend the Indian Aircraft Act, 1934, recently introduced in the Central Legislative Assembly by Sir Gurunath Bewoor, Secretary, Posts and Air, Government of India, India's post-war plans regarding civil aviation came up for discussion; the points made in the course of the debate are summarised below:

Sir Gurunath Bewoor, stated that the Government of India's plan contemplated the establishment of daily air services on the main trunk air routes covering India north to south and east to west with link routes connecting the trunk routes at suitable points, and with ~~extension~~ extensions to the capitals of adjacent countries. These contemplated services would cover an air route mileage of ~~10,500~~ 10,500 with an annual flying mileage of seven and a half millions and, with aircraft of the class contemplated, the total transport effected would amount to twelve and a half million ton-miles a year. As compared with the air services

erated before the war, the annual flying mileage would be five times and the ton mileage fifteen times. This was only a first instalment. It would include mixed passenger, freight and mail services. The services would be of high frequency to begin with, to be increased later, if necessary, and when the air routes were organized for night flying, the services would operate by night also. Connecting services would make it possible, with few exceptions, to leave any place in India on the air routes and arrive the same day at any other place on the air routes. The capital investment of the operating organizations would probably be between Rs. 30 and 50 millions and the annual cost of operation was estimated at between Rs. 10 and 25 millions. Sir Gurnath explained that the members of the House as well as the general public would soon have an opportunity to know the full details of the scheme when it was published in a few days.

Stimulated by the establishment of the major air services, he said, there would be considerable independent development of the air services of secondary and of local importance. In order to meet the development which the Government of India desired actively to encourage and if necessary and possible, to support, it was essential to introduce a licensing system. The objects of such a system were to promote rational and economic development, to ensure safety, regularity and reliability, to ensure that the air services met the real needs of the country, to coordinate effort, to discourage the growth of mushroom organizations, and to prevent uneconomic competition involving waste of national energy and of national assets.

Sir Frederick James asked for an assurance that the proposed licensing board would be both expert and independent and such as would attract public confidence and the confidence of the operating companies. He urged early formulation of an air policy for the country and referred to the operation that other countries were making for post-war developments. Sir Frederick also asked whether India would be represented on the nucleus of an Empire Air Council envisaged at a Conference in October 1943, presided over by Lord Beaverbrook.

Sir Ziauddin Ahmad foresaw a triangular fight between air, road and rail after the war and said that the railways and the road were already preparing for it. He asked what India was contributing to the international conferences on the subject. He suggested that factories should be started for the manufacture of aircraft and gave a warning that the failure in the matter of producing railway locomotives or motor cars should not be repeated in the case of aircraft manufacture in India.

Rao Bahadur Siva Raj also voiced the same opinion, declaring that if the Government was serious and wanted the scheme to succeed it should take every step to manufacture aircraft in India and to provide civil employment for the thousands of men demobilized from the Indian Air Force after the war.

Replying to the debate, Sir Gurnath pointed out that Government's policy was to develop civil aviation with Indian capital under Indian management and to afford training and opportunity for employment to Indians and, in the case of India's participation in any through services, to ensure that such participation was not only financial but technical and operational. In all international discussions on the subject, India would undoubtedly take her part. Referring further to post-war plans, Sir Gurnath said that the Government contemplated extension of services to places like Rangoon, Colombo, Kabul, Chungking and possibly places in

48

the Persian Gulf. The Government of India's plans were not merely route plans, but embraced ground organization, meteorological organization and light flying-facilities. The Reconstruction Policy Committee would examine the question whether the services should be operated by the Government or by a single monopoly company or by a number of competing enterprises. As regards Sir Ziauddin's fear of a triangular fight, Sir Gurunath said that is exactly what the Government wanted to prevent by planning development of all the three forms of transport. He also gave the assurance that ~~the Government~~ the method of licensing proposed to be adopted was not to check enterprise but to prevent wasteful competition between air operators themselves.

(The Hindustan Times, 24-2-1944). ✓

Appointment of Non-Official Consultative
Committee on Post-war Reconstruction:
Debate in Council of State. ✓

A resolution recommending the appointment of a consultative committee composed of non-official representatives of the Central Legislature and representatives from Indian financial and commercial interests to advise the Government to rehabilitate the economic structure of the country, was moved in the Council of State on 24-2-1944, by Mr. M.N. Dalal.

Introducing the resolution Mr. Dalal stated that ~~where~~ ^{as} currency had been expanded by about 500 per cent during the war no appreciable safeguards have been provided by proportionate increase in production of commodities or in services. Stating that huge currency expansion had caused service dislocation in the economic structure of the country, Mr. Dalal urged the Government to set in motion effective processes for curtailing the currency in circulation.

Anxiety as to His Majesty's Government's intentions in respect of the disposal of India's sterling balances, and the need to build up dollar credit also so as to enable India to ~~make~~ her purchases in other markets ~~as~~ expressed by several members during the discussion.

Mr. C.E. Jones, Secretary, Finance Department, replying on behalf of the Government, said that a committee on the lines suggested by Mr. Dalal was unnecessary, as there were separate advisory committees dealing with various aspects of the economic problem. In the ~~and~~ field of economic control and supplies of consumer goods, the Commerce Department and the Food and Industries and Civil Supplies Departments were working in close consultation with various advisory committees, ~~like~~ like the Textile Advisory Board. Finance Department itself was closely co-operating with the standing Finance Committee and in all monetary matters was keeping close liaison with the Reserve Bank, a non-official body. He pointed out that the Government in dealing with day-to-day requirements to combat inflation, ~~price level and other problems had to take quick and effective action,~~ and the process of consulting a committee as suggested by Mr. Dalal, comprising representatives from different parts of the country and ~~different~~ different interests would result in delay which they could not afford in times of crisis and emergency.

The resolution was with-drawn.

(The Hindustan Times, 25-2-1944). ✓

Viceroy's Address to Joint Session of
Central Legislature: Review of War,
Economic and Political Conditions. ✓

On 17-2-44, Lord Wavell, the new Viceroy of India, made his first address to a joint session of the Indian Legislature. In his address, the Viceroy reviewed the war situation with particular reference to India's war effort and her obligations to assist the South East Asia Command, the effects of war on Indian industrial and economic conditions, and the reconstruction programme of the Government. The main points of the address are briefly noticed below:-

India's War Effort.- Referring to India's war obligations, Lord Wavell said that the country's first task was to assist the South-East Asia Command to drive the enemy from the gates of India. There can be no peace or prosperity for India or anyone else till the Japanese ambitions are utterly destroyed. When the end will come it is difficult yet to say, Germany is reeling under a series of checks, physical and moral, which may well put her out of the ring at an early date. After that, the war against Japan will be intensified. The physical difficulties of the reconquest of Burma and of the other territory seized by the Japanese are great, but it will be accomplished by careful training and preparation.

Scarcity Conditions: Food.- The problem of assurance of sufficient food supplies is a problem which the Government is trying to solve on an all-India basis.

Curbing Inflation.- Dealing next with inflation, he said that the inflationary threat was closely linked with the problem of supplies. As a detailed account of the measures taken by Government to curb inflation was to be presented by the Finance Member in his budget speech on 23rd February 1944, the Viceroy dealt only generally with the problem pointing out that there has been a distinct improvement in the rate of savings and that some progress in increasing the supply and bringing down the prices of consumers' goods manufactured in India, as well as of those imported from abroad, has been made. The new Department of Industries and Civil Supplies has formidable tasks ahead of it but has made a good start with standard cloth, the release of woollen goods to the general public, and the control of the prices of imported drugs.

Coal and Transport Difficulties.- Dealing with these he said that the transportation system has been subjected to great strains, which it has supported creditably. The latest problem to confront not only the transportation authorities, but public bodies, industrialists, and private households throughout India is shortage of coal. The seasonal fall in raising which occurs in the last quarter of the year was abnormally great in 1943. There were reasons for this—an exceptionally good harvest, the presence of easier and better paid work in the coal-fields, difficulties about the supply of feed, and the epidemic of malarial fever, combined to draw labour away from the mines and to make their return slow. Labour conditions are beginning to return to normal; but there is much to be done to improve the raising and distribution of coal and conditions in the coalfields. The Government has appointed a Coal Commissioner to study all the factors bearing on production and movement and to see that the policy of the departments concerned is effectively carried out.

Effects of War on Indian Economy.- On the whole, in view of the scale of the dangers and disasters to the world as a whole, India has come through it with less hurt than any other nation in the front line. And the war has in many directions enhanced India's opportunities and prospects. It has hastened her industrial development, it will increase food production, it has strengthened her financial position. That it has not brought, as in certain other countries, an increased unity of spirit and purpose is an unhappy circumstance.

Post-war Possibilities.- Directing attention to the opportunities awaiting India in the post-war world and India's special difficulties, he said: "the post-war world will be for India a world of great opportunities and great dangers. India has great undeveloped resources in agriculture and in industry. Her soil is not yet cultivated to its full fruitfulness; with improvement in methods, in irrigation, and in fertilisation, she can increase her food supply greatly both in quality and quantity. There is wide scope for development in India's main industry, agriculture. There are also great commercial possibilities in India. There are mineral resources still undeveloped; there is abundant labour, a portion of which has now attained a considerable degree of technical skill. India has many experienced and able men of business. Her financial position at the end of this war should be a good one. There are almost unlimited markets, internal and external, for her produce. Such are her main economic assets. She has, however, also many economic difficulties and disabilities. The pressure of increasing population, the poor conditions in which the greater part, both of agricultural and labouring populations live, the flagrant contrast between wealth and poverty, the inadequacy of communications, all mark the immensity of the problem which confronts India in raising the standard of living. The task is to use rightly and to best advantage her great economic assets; not to increase the wealth of the few, but to raise the many from poverty to a decent standard of comfort. A hard task indeed, but a noble task. The aim must be to plan for economic and social development so as to raise the standards of living and general welfare."

Problems of Demobilisation.- The Government has also to deal with the "winding-up" process that follows all wars—the demobilization and resettlement of soldiers, the termination of war-time contracts with industry and the orderly return of industrial labour to peace-time tasks; the dispersal of property and stocks of goods acquired for war purposes.

Post-war Reconstruction.- Referring to the Government's post-war reconstruction programme, he said: "the development of India is being dealt with by a Committee of the Executive Council, which is assisted by a number of other committees with a strong non-official element. The Government is considering means to strengthen the planning organisation and to accelerate progress. Much useful preliminary work has been done, and a stage has been reached at which, for certain subjects at least, as for example, the demobilization and resettlement of soldiers, definite planning can begin in some detail. Over the greater part of the field our actual conduct after the war will depend to some extent—often to a great extent—on international factors—such as tariff policy and international currency. But we need not wait on these; on the big questions of policy we have to make certain broad assumptions. Concurrently, we are appointing individual development officers—not Committees—to draw up outline plans for subjects such as electrification, industries, road development, irrigation and agriculture. We are also arranging to give opportunities for bodies of Indians connected with industry, the health services, and other branches of development to visit the United Kingdom, and if required

the U.S.) to study for the benefit of India the latest developments in their line of work. For the main social services we already have the Educational Adviser's memorandum, and shall later have the report of the Bhore Committee on medicine and public health. During 1944 our plans will take shape; they must cover the whole of India, and the Provinces and States will co-operate with the Centre in producing the best and most comprehensive possible statement of our needs."

Development of Industries. Welcoming concrete suggestions for development of industries he said that the Government was examining with interest the plan recently propounded by seven prominent business men. ~~(The Section Economic Conditions of this report).~~ The views of the authors of this plan on the objects to be achieved are in principle the same as those of Government—a substantial increase in standards of living and social welfare. There may be differences on the methods to be employed, their relative importance in the ~~summary~~ plan as a whole, the part to be played by the State and by private enterprise, and the financial practicability of development on the scale contemplated within the time suggested by the authors; but the aim is similar. It may, in the initial stages, be necessary for the Government of India and the Provincial Governments to devote the larger proportion of the resources available to economic development, agricultural and industrial, so as to increase the wealth of the country. But vital matters of health and education will not be allowed to stand still and the recommendations of the Educational Adviser and the Bhore Committee will receive the most earnest consideration.

The Political Situation.— Dealing with the political situation, he said, ~~that~~ the Cripps offer still stands. The Cripps offer was an offer to India of full self-government, of the right to frame her own constitution, and even of the right, if she so desired, to sever ~~her~~ partnership with the British Commonwealth. Because of the military situation—which still obtains—it was provided that, pending the framing of the future constitution, the direction of defence should remain the responsibility of His Majesty's Government, but it was contemplated that Indian leaders should be associated not only with the ~~Government of their country~~ Government of their country—under the existing constitution necessarily, till a new constitution was framed and accepted—but with the counsels of the Commonwealth and of the United Nations. This offer still stands, but the demand for release of these leaders who are in detention is a barren one until ~~there~~ some sign on their part of willingness to co-operate.

(The Statesman, dated 18-2-1944).