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INTERNATIONAL LABOUR OFFICE
INDIAN BRANCH

Industrial and Labour Development in November, 1950.

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

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CHAPTER 1. INTERNATIONAL LABOUR ORGANISATION.

INDIA - NOVEMBER 1950.

11. Political Situation and Administrative Action.

Third Session of Parliament opens: President's Address.

The third session of the Indian Parliament was opened on 14 November 1950 by the President, Dr. Rajendra Prasad. According to a statement supplied to members, there are 21 Bills pending before the Parliament including the Labour Relations Bill, the Trade Unions Bill, the Fair Wages Bill, the Mines Bill and the Industries (Development and Control) Bill.

President's address: International situation.- The President's address, opening the session of Parliament, emphasised the gravity of the time both abroad and at home. He said that recent developments in Korea had deepened the international crisis and the world appeared "to stand perilously on the verge of war", and expressed the hope that the statesmen of the world gathered at Lake Success would succeed in their efforts to prevent the spread of war. He also expressed the Government's regret at China's military operations in Tibet, when the way of peaceful negotiations was open. He reaffirmed India's respect for the independence of Nepal and added that the people of India desired the people of Nepal "achieve political and economic progress".

Food situation.- The President, said that the recent natural calamities and disasters in India had seriously affected the food situation. Ripening harvests had been destroyed by floods and in some cases even stores of food-grains had been washed away. What was more disturbing was that even the coming harvest had been seriously affected by drought over wide areas, notably in Bihar, where a calamity of such magnitude had not occurred in living memory. This had necessitated large imports of foodgrains from foreign countries. But, even so India was likely to experience grave difficulties during the concluding weeks of this year. It had become essential, therefore, to use, to the best advantage, the foodgrains that may be available in India. He declared: "In spite of the disasters we have had affecting our food position and the difficulties we are experiencing today, there is no going back on our programme of

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self-sufficiency". India had made considerable progress in food production this year and hoped to do better next year. It must be remembered that the present food crisis was due to very extraordinary and abnormal causes and there was no reason to give up the objective of producing enough food for the normal consumption of the country by March, 1952.

Rise in prices.- He said that to meet the situation arising out of the rise in prices, the Government had taken steps to control the supply and prices of all articles, to liberalize imports, and to check anti-social practices. These steps can only succeed with the full co-operation of the people.

Indo-Pakistan issues.- The President regretted that trade between India and Pakistan had largely been at a standstill because no decision had yet been reached about the par value of the Pakistan rupee. It was hoped that this question would be settled immediately after the recent meeting of the International Monetary Fund in Paris, but its consideration was postponed.

The Government of India had made a proposal to the Pakistan Government for the final decision of two of the major issues between India and Pakistan. It had suggested a tribunal of the highest standing to decide the issues of evacuee property and canal waters. He hoped that this proposal would be accepted and thus two serious causes of conflict between the two countries removed.

"Evacuee properties concerned vast numbers of people both in India and Pakistan and an early decision in regard to them would not only bring relief to these people, but would also help in improving the relations between the two countries". He was glad to note that as a result of the Indo-Pakistan agreement on minorities concluded in April 1950, there had been a gradual improvement of conditions and a flow back of migrants to their original homes.

Development projects.- Regarding the problem of economic development, he stated that the Planning Commission had been strenuously labouring, in co-operation with the Ministries of the Central Government and the State Governments, to lay down a preliminary plan as well as to prepare a plan for a longer term. It was hoped that the short-term plan would be placed before the country before long. Meanwhile, the three great river valley projects - the Bhakra, Damodar and Hirakud - were making substantial progress. Scientific research had also made considerable progress and a number of new national laboratories had been opened.

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Rehabilitation of displaced persons.- On the rehabilitation of displaced persons, the President said that progress had been made in the rehabilitation of displaced persons and some of the new townships, such as Faridabad, Nilokheri, Rajpura, Kandla and Fulia, had now taken shape and most of them were functioning.

In regard to displaced persons from Eastern Pakistan, the position had been fluid because of movements of migrants in both directions. One million and one hundred thousand of such displaced persons had been settled under various schemes on land or in shops. There was still a camp population of 250,000, chiefly in West Bengal and also in Bihar, Orissa, Tripura and Assam. Steps were being taken to rehabilitate this camp population. Much remained to be done for the displaced persons from Eastern Pakistan.

More accurate figures, he said, were available for the displaced persons from West Pakistan. These totalled about 5 million. Of these 600,000 families, comprising about 3 million persons, were offered allotment of land with some help for equipment. Of these, 500,000 persons, who had secured allotment of land, preferred to live in towns. The displaced persons in towns thus came to about 2.5 million. Some of these showed enterprise and made their own arrangements. Government had to provide housing and gainful employment for others. In regard to housing, 2.07 million had been given accommodation in evacuee houses, reconditioned barracks, and in newly built houses. In addition, plots had been developed for private construction and houses were being built all over the country.

In regard to providing gainful occupation, shops and business premises had been allotted to 54,000 persons and about 1.7 million had been given assistance through loans or employment or vocational and technical training. Thus a great deal had been done in regard to housing and rehabilitation of displaced persons from Western Pakistan, though the standards achieved were unfortunately not high. The settlement of the evacuee property question would help considerably in the solution of this problem.

General Elections to be held at end of 1951.-The President announced the Government's decision to hold the General Elections under the Constitution in the second half of November or early December 1951. He adduced four reasons for timing the elections towards the end of next year - the need for a firm date; the unfinished legislation concerning elections; the unpreparedness of some states; and the serious food position in Bihar.

(The Statesman, 15-11-1950).

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12th Session of the Standing Labour Committee,
New Delhi, 2-3 November 1950.

The 12th session of the Standing Labour Committee was held at New Delhi on 2 and 3 November 1950. The Committee consists of 12 representatives of Central ~~and~~ and State Governments excluding the chairman, and six representatives each of employers and workers. The ILO was represented by two observers. In the absence of the Hon'ble Sri Jagjivan Ram, Labour Minister, Mr. V.K.R. Menon, Secretary, Ministry of Labour, presided.

Among the subjects on the agenda, were: (1) constitution of welfare trust funds for industrial workers, (2) institution of a compulsory provident fund scheme for industrial workers, (3) the need for tripartite agreements on standard of compliance with the provisions of the Factories Act, 1948, in respect of organised industries, (4) the need for having Central legislation for workers in shops and commercial establishments, and (5) retrenchment.

President's address.- Mr. Menon, in his address, said that the five-year labour welfare programme formulated in 1946 had not so far been fully completed.

Employers, he said, must not rely on the Government alone to give effect to legislation but must voluntarily endeavour to bring about better labour conditions. Both employers and workers should assist in the implementation of legislative measures. The Factories Act of 1948 for example, could be enforced more strictly if tripartite agreements were made in organised industries in accordance with its provisions.

Discussing the need for constitution of Welfare Trust Fund for industrial workers, Mr. Menon said that it had not been possible to provide labour welfare schemes voluntarily, and necessary legislation should be undertaken to compel constitution of welfare funds in all industrial undertakings. He thought that both employers and workers should contribute to such funds, though not necessarily equally, their management, however, being entrusted to committees with equal representation of employers and workers.

Decisions.- The Committee recommended legislation for the introduction of a scheme of provident fund for industrial workers. There was also general agreement on the need for tripartite agreements on standards of compliance with the provisions of the Factories Act, of 1948 in organised industries.

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The Committee proposed that the provident fund scheme be applied as far as possible to all industrial establishments and embrace all workers employed in those concerns.

Representatives of employers, while conceding the imperative need for some future provision for the worker on retirement or death, thought that the present moment was not appropriate for the introduction of such a scheme. They said that on account of the present economic situation, industry's profits were diminishing and the introduction of any such scheme would only add to the costs of production, thus limiting the capacity of industry to pay.

Representatives of workers felt that there was an immediate need for such a scheme and suggested that it ~~should~~ should be applied to all industrial undertakings. They proposed that the rate of contribution should be linked to the gross wage, namely, basic wage plus dearness allowance, and the amount should extend up to 8 1/3 per cent of a member's wage instead of 6 1/4 per cent as urged by the employers. They contended that a worker's participation in an illegal strike should not be the cause of forfeiture of his provident fund.

As regards the constitution of Welfare Trust Fund, the employers contended that in the big industrial centres, important sections of the industry have provided for welfare facilities and pleaded for more time for others to take up such activities. It was agreed that in the meantime, the Ministry may proceed with the preparation of the draft bill for legislation.

Regarding the enforcement of the Factories Act, it was pointed out that Factory Inspectors alone found it difficult to enforce the provisions. A practice prevailed in other countries, specially in highly organised industries, where compliance was secured by tripartite committees consisting of representatives of the Factory Inspectorate, employers and workers. Such committees, it was suggested would ~~not~~ not only assist in the smooth administration of the Act, but also endeavour to improve working conditions in all industries.

The Committee examined the main principles on which legislation regulating retrenchment in industry should be based. No agreement could be reached on this question.

The workers' representatives thought that such legislation was inconsistent with the right to employment given by the Constitution. However, it was urged that there should be no retrenchment until alternative employment or un-employment relief was provided, and that safeguards should be provided against retrenchment being used for victimization.

The employers' representatives could not see the propriety of such legislation which they said was against the fundamental right of the employer "to employ or retrench whosoever he liked". Such a right, it was contended, was inherent in the contract of employment. It was also urged that as retrenchment was mainly resorted to for economic reasons, no fetters should be placed on the employer which were likely to jeopardize the interests of his concern. On the contrary, retrenchment measures, with a view to rationalization, should be encouraged.

The Committee decided to postpone discussions on the proposal for a Central Shops and Establishment Act as the employers representatives contended that they were not competent to represent commercial interests.

(A Special Report on this subject has been sent under this Office Minute No.C.3/2275/50, dated 8 November 1950).

(Summarised from copies of memoranda submitted to the Conference and Press releases issued by the Press Information Bureau, Government of India;

The Statesman, dated 2 and 4-11-1950).

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CHAPTER 2. INTERNATIONAL ORGANISATIONS AND
NATIONAL NON-PROFESSIONAL ORGANISATIONS.

INDIA - ~~NOVEMBER~~ NOVEMBER 1950.

21. International Governmental Organisations:

UNESCO Programme of Technical Assistance:
Agreement signed with India.

On 15 November 1950, the Government of India signed an agreement with the U.N. Educational, Scientific and Cultural Organisation ~~with~~ in connection with the UNESCO's programme of technical assistance to India in 1951. According to the agreement, UNESCO will provide the services of 10 specialists in the first year for the various schemes of national importance for which India had sought technical assistance some time ago. The Organization will supply technical and other equipment equivalent to \$22,000, and will consider requests for additional essential equipment that may be required for the work of the specialists.

Two of the specialists will be working in the national laboratories, three in the Indian Institute of Technology, Khargpur, three in the research laboratories of the Central Water Power, Irrigation and Navigation Commission and one each in the Birla Sahnî Institute of Palaeobotany, Lucknow, and the Central Institute of Education, Delhi. In order that the specialists may be replaced by Indians in due course, the UNESCO will also award fellowships and study grants to the equivalent of \$22,000 for the implementation of this project. The Government of India has agreed to provide for these specialists facilities, such as furnished accommodation, medical care and hospitalization and the cost of transportation within the country.

The schemes of the Government relating to the agreement include the establishment of a higher technological institute and the provision of specialists for work in various educational and research institutions, including the national laboratories.

The Government of India and the UNESCO are considering detailed proposals in regard to the establishment of a scientific bibliographical centre in Delhi for which also India had asked for technical help.

(A note on this subject was ~~HA~~ sent to Geneva under this Office Minute No.F.4d/2325/50 dated 16 November 1950).

(The Statesman, 16-11-1950).

CHAPTER 3. PROFESSIONAL ORGANISATIONS.

INDIA - NOVEMBER 1950.

. 31. Workers' Trade Union Movements.

I.C.F.T.U.: Asian Regional Office set up in Singapore.

The International Confederation of Free Trade Unions has appointed Mr. D. Mungat, General Secretary of the Maritime Union of India, as its representative in Asia with headquarters in Singapore. Mr. Mungat will shortly proceed to Singapore to set up the regional headquarters there. From there he will proceed on a survey tour of labour conditions in Japan and Korea.

Mr. Mungat who attended a meeting of the Confederation held at Brussels recently, ^{stated} at Bombay on 30 October 1950, that the Confederation had in view a plan for opening regional offices in Japan, the Philippines and India. The setting up of a labour college to train workers in trade unionism in Singapore and Ceylon or India, was also under consideration.

(The Hindu, 2-11-1950).

U.P.: Labour Unity Front formed at Conference of Independent Trade Unions.

At a convention of the independent trade unions in Uttar Pradesh under the presidentship of Mr. Shibbanlal Saxena, held at Kanpur on 19 and 20 November 1950, it was decided to form a Labour Unity Front, composing of independent trade unions of various industries in the state, with the object of freeing labour from the domination of political parties and uniting them on one single common platform. The Convention, which was inaugurated by Mr. J.B. Kripalani, was attended, among others, by representatives from the Uttar Pradesh and Bihar Chini Mill Mazdoor Federation, the Uttar Pradesh Textile Workers' Federation, the Uttar Pradesh Leather Workers' Federation, the Uttar Pradesh

Electric Workers' Federation, and the Uttar Pradesh Roadways Workers' Union.

Mr. Kripalani's address.- In the course of his inaugural address, Mr. Kripalani emphasised that decentralisation of industries, instead of nationalisation, was the real solution of the economic problem facing the working class. He said that labour organisations should not be utilised for serving political ends. Labour unions, he advised, should keep themselves away from active politics. This did not mean that workers should not take part in politics at all. They should be fully entitled to take part in politics as citizens rather than as members of trade unions. They should exercise their votes in a judicious manner because votes were sacred and were a public trust. Politics was the very breath of their life in their capacity as citizens but they should not introduce their politics in labour organisations which should exclusively function for the fulfilment of their demands. He hoped that the conference would not involve itself in any of the political parties. He said that the loyalty of workers was divided when any labour organisation got wedded to any political party.

Trade Unionism and political parties: Mr. Saxena's presidential address.- Mr. Shibbanlal Saxena, in his presidential address, said that Mahatma Gandhi had taught them to serve labour for its own sake. The Indian National Trade Union Congress, which was founded to promote his ideals, had been used by the Government to ditto their labour policies whether these were in the interests of labour or not. In fact the Indian National Trade Union Congress, Mr. Saxena said, was a body completely subservient to Congress ministries at the Centre and in the states. He wanted that all the trade unions in the country should be brought into one single central organisation of labour like the British Trade Union Congress. But its prerequisite was that all the trade unions in the country should first have a common platform. At present each political party claimed to be a labour party. By having a labour wing tied to their organisation they thought they became entitled to call themselves labour parties. But it was not true. The true labour party was yet to be born.

The present conference, he said, was an effort to form one platform for all labour in the country. It was a call to labour to cease to be tied to the chariot-wheel of political parties. The unions represented in this conference were not affiliated either to the Indian National Trade Union Congress, or to the Hind Mazdoor Sabha or to the All-India Trade Union Congress.

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Mr. Saxena explained that when he said that any central organisation of labour should not be tied to a particular political party, "it did not mean that trade unions should take no part in politics. He stood for full political education of labour. But in the central trade union organisation, the interests of labour should not be subordinated to the interests of political parties".

Labour Unity Front formed.- The Convention decided to form a Labour Unity Front consisting of the independent trade unions in the various industries in the State, with the object of freeing labour from the domination of political parties and uniting them on one single platform. The Front would have a general council consisting of one delegate for every 500 members from each of the unions joining the front. The office-bearers of the front ~~will be~~ ^{are}: Mr. Shibbanlal Saxena - President; Mr. Hari Bahadur Srivastava, Mr. Prem Dutt Paliwal, Mr. Raghubir Prasad Upadhyaya and Mr. Padam Nath Singh - vice-presidents; Mr. Ganga Sahai Chaubey - General Secretary; Mr. Achleshwar Nath Saxena, Mr. Jai Deo Kapur, Mr. Kanhaiyalal Srivastava and Dr. M.P. Verma - Secretaries; and Mr. B.D. Shukla - Treasurer.

The convention appointed a committee consisting of Mr. Shibbanlal Saxena, Mr. Ganga Sahai Chaubey, and Mr. Kanhaiyalal Srivastava to negotiate with the UTUC and other central labour organisations in the country to explore the possibilities of bringing all organised labour under one single central trade union organisation.

By another resolution the convention approved ~~passed~~ the various resolutions passed by the executive committees of the trade groups and federations which were represented at the convention and appointed a committee with Mr. Shibbanlal Saxena as chairman and Mr. Ram Chandra Rai as General Secretary, and consisting of five representatives elected by each of the different trade groups which had resolved to take recourse to direct action if their demands were not conceded by a fixed date, to act as the co-ordinating committee to supervise and direct such action.

(National Herald, 18, 20 and ~~21~~
21-11-1950).

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Chapter 4. Economic Questions.

42. Production and Export of Agricultural Products.

India - November 1950.

Indian Council of Agricultural Research: Three
new Bodies set up.

At a special meeting held at New Delhi on 1 November 1950, the Indian Council of Agricultural Research, it is understood, adopted a new constitution providing for the establishment of three new bodies, including a Board of Research. The Board of Research will co-ordinate all agricultural research in the country either in the State universities, or at the Centre. The Board will, it is understood, consist of not more than 15 members representing, as far as possible, all major branches of research.

The second organisation is named "Extension Board" and it will be entrusted with the task of carrying the results of researches to the farmer. The Board will include the Directors of Agriculture from the State Governments, heads of fishery services or animal husbandry and heads of Forest Departments.

The third body styled as "Executive Committee" will, it is stated, co-ordinate the activities of the above two Boards. It will consist of one representative each of Part A States, Part B States and Part C States, the Vice-Chairmen of the Board of Research and the Board of Extension and a representative of the Commodity Committees. The Central Minister of Agriculture will be the Chairman.

(The Statesman, 2-11-1950).

43. Foreign Trade and Exchanges.

India - November 1950.

Meeting of Import Advisory Council: Import Control Enquiry Committee's Recommendations accepted.

A meeting of the Import Advisory Council was held at New Delhi on 30 October 1950, Mr. Sri Prakasa, Minister for Commerce in the Chair. The meeting, among other things considered the recommendations of the Import Control Inquiry Committee (vide pages 32-34 of the report of this Office for October 1950) and generally approved them.

Improvement in export trade.- The Commerce Minister addressing the Council stated that India's exports were making a steady headway. He, however, advised caution against undue optimism, even though the general prospects were considerably improved. Referring to the Indo-Pakistan trade deadlock, he said that resumption of the trade must await the determination of the par value of the Pakistan Rupee by the International Monetary Fund.

Import Control Inquiry Committee's Report approved.- The Council generally approved the major recommendations of the Import Control Inquiry Committee. The discussions in the Council, centred mainly on the following recommendations of the Committee: (a) revised order of priorities for granting import ~~priorities~~ licenses; (b) decentralization of licensing procedure; (c) fixation of a minimum ceiling in the foreign exchange budget for the next two years (annual minimum of 4,000 million rupees); (d) creation of Port Advisory Committee and Trade Panels; and (e) facilities granted to the newcomers.

(The Hindustan Times, 31-10-1950).

45. Economic Development and Control.

India - November 1950.

£ 1,868 Million Development Plan for South East Asia:
Commonwealth Conference Report presented to Indian
Parliament.

Mr. C.D. Deshmukh, Finance Minister, Government of India presented on 28 November 1950, the report on the "Colombo Plan for Co-operative Economic Development in South and South-East Asia". The plan, which is being released with the approval of the Governments of Australia, Canada, Ceylon, India, New Zealand, Pakistan and the United Kingdom, which participated in the meeting of the Commonwealth Consultative Committee held at London in September last, covers India, Pakistan, Ceylon, Malaya and British Borneo, at a total cost of £ 1,868 million. Invitations have been issued to the other countries of South and South East Asia to participate in the scheme. Their plans, when ready, will be published as a supplement to the report.

Scope and financing of the plan.- The plan, which is a six-year development programme, aims at providing basic economic development of the area and fundamental projects on agriculture, irrigation, power and communications, railways, roads, ports and harbour installations, ~~has been approved.~~ It also provides for essential development in the sphere of social services like health, housing and education. The total cost of the schemes drawn up for India, Pakistan, Ceylon, Malaya and British Borneo comes to £ 1,868 millions. Of this, external finance will be needed to the extent of £ 1,084 millions. The ~~remaining~~ remainder of the expenditure is proposed to be borne by the member Governments from their internal resources.

The sponsors of the Plan, while realising that the burden of development "must be borne chiefly by the countries themselves", observe that the pace of development will be slow unless a sufficient flow of capital from abroad takes place. The Commonwealth countries in the area, the report records, "have shown their determination to do their full share in furthering the economic development of their countries". In fact, the report adds: "The careful preparation of these programmes by the Governments of the under-developed countries and the scrutiny which they have given to all the projects which they have under contemplation in order to reduce them to a consistent and practical programme is an index of their

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self-disciplined resolve to move forward energetically".

Expected results.- The report anticipates the following results in 1956-57, on successful implementation of the programme:

More land under cultivation - 13 million acres (increase of 3 1/2 percent).

More food grains produced - 6 million tons (increase of 10 per cent).

More land under irrigation - 13 million acres (increase of 17 per cent).

More electric generating capacity - 1.1 million kwts. (increase of 67 percent).

Economic condition of the region.- South and South-East Asian countries, the report says, contain 570 million people - one quarter of the world's population. The area is rich in natural resources but little touched yet by the Industrial revolution which, in 150 years, has so completely transformed the face of the Western world. It plays a big part in world trade. It provides almost all the world's exports of jute and rubber, more than 3/4th of the tea, about 2/3rd of the tin and 1/3rd of the oils and fats. These key products have for generations flowed into the great trade routes helping to sustain the industries of Europe and the United States of America.

Apart from this material capital these countries possess, the report observes, "incalculable capital in the form of the traditions of civilization which are older than history itself - traditions which have produced treasures of art and learning and which still mould the minds and spirits of their peoples".

Despite this potential wealth, both human and material, the fundamental problem of the region is poverty. The population in the area is growing rapidly - by 20,000 every day. Agricultural productivity is low. Industrial power has not been developed to an extent which can meet the needs of the growing population or improve their standard of living. Again, the last war, by destroying or damaging large parts of the area has caused a further worsening of the living conditions.

The Indian sub-continent, the report says, served as the great Eastern base for the Allied armies; her industries, ports and railways were over-worked with the result that at the end of the war there were enormous arrears and repairs and

maintenance to be made good.

This poverty, apart from causing the low economic conditions of the people of the area, is apt "to cloud and circumscribe" the human assets that the area possesses. The Plan aims to raise the people from their low economic conditions by undertaking some basic development projects. Science and technology, the report says, has made progress possible in other parts of the world and there is no doubt that by application of similar process "the hastening" of a similar development in Asia can be brought about. Such a consummation will be of benefit not only to Asia, but to the entire world as the latter will gain immensely from further development of the natural resources of these countries and the skills which their peoples possess. Again, the very fact that a fast-growing population in this area would have more resources to stand by will contribute towards "a healthy world economy".

Details of Development programme.- Details of the development programmes of India, Pakistan, Ceylon, Malaya and British Borneo drawn up in the Plan are given below:-

India.- The six-year development plan of India, covers fundamental projects like agriculture, transport and communications, fuel and power, industry and mining, and social services including education, housing, health, etc. The expenditure spread over six years is estimated at 18,396 million rupees or £ 1,379 millions. Of this, an amount of £772 million will be met from internal resources and the balance £ 607 million will have to be financed from external sources, including withdrawals from sterling balances.

The report points out that the development schemes of India are designed to improve the standard of living, to provide a minimum of social service and to supply sufficient capital and consumer goods to restrain inflation. To achieve these objectives it is proposed: (a) to undertake certain basic public developments such as irrigation and rural electrification in order to increase agricultural production; (b) to increase the supply of fertilizers, agricultural implements and building materials at a reasonable cost in order to raise the yield of land under cultivation; (c) to develop and improve transport facilities; (d) to promote the full use of existing industrial equipment and capacity and to extend the production of iron and steel; and (e) to encourage industry in the villages in order to provide work for the underemployed and unemployed rural population.

"A great deal of work", the report says, "has already been started to meet development needs. The programme now contemplated embraces schemes already begun and in addition, others of high priority which could be undertaken as soon as adequate finance is available".

The details of the approved programmes are given below:-

	Rs.(in million) £ (In million)	P.C. of Total
Agriculture	<u>Rs. 6,080</u> £ 456	33
Transport and Communications including railways, roads, ports and harbours	<u>Rs.7,027</u> £ 527	38
Fuel and Power	<u>Rs. 576</u> £ 43	3
Industry and Mining (including coal)	<u>Rs.1,800</u> £ 135	10
Social Services (Education, Housing, Health, etc.)	<u>Rs.2,913</u> £ 218	16
Total.	<u><u>Rs.18,396</u></u> <u>£ 1,379</u>	

The agricultural programme includes three multipurpose projects which are accorded very high priority. These are the Damodar Valley (Rs.500 million), the Hirakud (Rs. 500 million rupees), and the Bhakra-Nangal (757 million rupees). Another major item on the ~~agricultural~~ agricultural development programme is the Integrated Crop Production Plan, launched by the Government of India. Increased production of crops at the end of 1956-57 as result of the schemes approved, the report says, will be 3 million tons of food grains, about 195,000 tons of cotton, 375,000 tons of jute and 1.5 million tons of oilseeds.

Under transport and communications, construction and restoration of tracks, bridges, structural work and rolling-stock are included. The scheme for establishment of a plant for the manufacture of locomotives is also being promoted. In the industrial sector, the emphasis is on raising the production of steel, particularly ~~throughout~~ through the modernization and expansion of existing steel plant and construction of additional capacity for an annual output of a .5 million tons.

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The development programme, if implemented fully, will provide for improvement in the standard of living. Quantitatively estimated, the report says, the availability of cloth per individual will be 15 yards as against 10 yards at present and 16 oz. of food ration in urban areas as against 12 oz. at present. Foreign exchange expenditure on food supplies, which is an important cause of the current balance of payment deficit, should also be reduced and substantial increase in exports of raw materials, such as oilseeds and shortstaple cotton and of manufactures like jute products, cotton textiles and other consumer goods should accrue. At the end of the six-year period, it is expected that equilibrium will be achieved at a higher level of international trade.

Government of India's views.— The report gives the views of the Government of India in case external finance to the extent necessary is not forthcoming for continuing the development programmes. It says; "In that event India will have to face at the same time the problem of counteracting inflation and the necessity of carrying out a modicum of development within the resources at its command. This ~~would~~ would inevitably entail a drastic curtailment of imports and possibly the abandonment of some development projects already under way. It might also require, apart from any possible economy in expenditure, the raising of taxes to levels which are bound to cause further hardship. If it becomes necessary to resort to a certain amount of deficit financing to carry out a minimum programme of development the existing fiscal and financial controls will have to be intensified and expanded. In present conditions in India, this will present formidable difficulties. Such a rigorous management of the country's economy will be likely to lead to unemployment, to reduce trade with the rest of the world and to lower business activity. No noticeable improvement in living conditions will be possible and there may be deterioration. This is bound to react unfavourably on the economic and political conditions of the country, especially, in the prevailing ~~xxxx~~ social and political atmosphere in the South and South-East Asia".

Pakistan:— The plan for Pakistan relate to the Thal project - Bhambanwalla Ravi Bodian Canal - Rasul Hydro-electric project; lower Sind Barrage, Chittagong Port development, ~~and~~ Malakand Hydro-electric extension project at a total cost of 2,600 million rupees or £ 280 millions.

Ceylon:— The development plan covers agricultural development, development of Colombo Port, construction of new roads and railways, establishment of key industries and development of social services at a total cost of 1,359 million rupees or £ 102 millions.

Malaya, Singapore, North Borneo and Sarawak.-
The plan for these countries relate to development of agriculture, transport and communications, fuel and power, industry and social services and development of Singapore Port at a cost of £ 107.4 millions.

The distribution and cost of the programmes of these countries are as follows:

	India	Pakistan	Ceylon	Malaya and British Borneo	Total	Percentage to total.
	£m.	£m.	£m.	£m.	£m.	
Agriculture (a)	456	88	38	13	595	32
Transport and Communications	527	57	22	21	627	34
Fuel and Power	43	51	8	20	122	6
Industry and Mining (b)	135	53	6	..	194	10
Social Capital	218	31	28	53	330	18
	1379	280	102	107	1868	100

(a) including multipurpose projects.

(b) excluding coal.

The problem of external capital.- The prime limitation in the execution of the programme is the availability of internal and external finance. The report says: "The shortage of capital is the main limitation on the execution of the development programmes described in this report. This arises simply from the poverty of the area. Its productivity and national income per head are so low that the tax structure is inevitably narrow and the taxable capacity inadequate; the flow of savings is insufficient, for the great mass of the people have no margin above subsistence level. Consequently there are very limited resources with which to finance the capital expenditure required for development".

Drawing its main conclusion in this context, the report says that the problem which confronts the countries in this area is to secure, during the coming six years, a flow of capital from overseas of the order of £1,084 millions to enable them to carry out their minimum development programmes. And the report indicates following five methods by which the amount of external finance required can be raised:

(a) Out of the foreign assets which the countries in the area themselves possess - in particular, the sterling credits which some of them built up in London during the war. India, Pakistan and Ceylon, the report says, expect that they will be able to

draw on these assets up to a total of £246 million during the next six years. The estimated withdrawal of India alone would be to the tune of £210 million; (b) Out of money put up by private investors abroad for ~~the~~ use of private enterprise in the area. It is too early to say, the report observes, how much can be expected from this source but the opportunities for private enterprise in South and South-East Asia should increase as the development programmes get under way; (c) Out of money lent by private investors abroad to the Governments in the area, for example, by subscribing to loans floated in London and other important financial centres; (d) Out of ~~the~~ loans from the International Bank for Reconstruction and Development. Observing that the Bank is a very important source of funds, the report hopes that it would be possible to enlist its full support and co-operation; and (e) Gifts and loans from Governments outside the area to Governments inside it. The report observes: "A substantial element of government-to-government finance will be required, particularly in the early stages of the development programmes", as it is very unlikely that, in view of the magnitude involved, the external finance available through the previous four channels will be enough to enable the development programme to be carried out.

Scheme for technical aid.- Another limitation in the working of the development schemes is the availability of technical skill, mainly of highly skilled personnel, such as engineers, doctors and agricultural experts. Since the technical assistance available or at present planned through national and international sources cannot meet all the known needs of the ~~the~~ area, the Commonwealth Consultative Committee at its meeting in Sydney in May 1950, decided to set up a technical assistance scheme to which Commonwealth Governments have agreed to contribute an amount up to a maximum of £3 million over three years. To implement this ~~scheme~~ scheme a Council of Technical Co-operation has already been constituted with its headquarters in Colombo, and it is expected to start functioning very shortly. The main work of the organization will be ~~to~~ to find out what the countries in the area are looking for in the way of overseas experts and training facilities and to see what can be done to help them. At the same time the Council will assist these countries to expand their own facilities for training.

Co-operation with U.N. and Specialised Agencies.- With regard to the technical assistance already being provided by the U.N. and its ~~its~~ specialised agencies and under the Point Four programme, the Council will keep in close touch with these organizations to prevent any overlapping and to make sure that the limited number of trained men available to the area are employed to the best advantage.

Government of India's contributions to the technical co-operation scheme.- The Finance Minister announced that the Government of India would contribute over the next three years a sum up to 10 million rupees towards the technical co-operation scheme envisaged in the Co-operative Economic Development Plan for South and South-East Asia. The Government of India believed, said the Finance Minister, that the best support it can give to the execution of the plan at this moment ~~is~~ by husbanding their own resources towards the advancement of their own plan for development. The plan, he stated, contained the seeds of international co-operation.

(The Hindustan Times, 29-11-1950).

Reorganisation of Air Transport Industry:
Inquiry Committee's Recommendations.

The Air Transport Inquiry Committee (vide pages 16-17 of the report of this Office for February 1950) has submitted its report to the Government, inter alia, recommending thorough reorganization of the civil aviation industry which, in its present set-up, has been found to be ~~afflicted~~ afflicted with a number of maladies.

The question of nationalizing the industry, the report states, should be considered when, after a fair working of the reorganization scheme for five years, it is seen that private airlines still continue to incur losses, thus retarding development. And if State ownership is decided on as a matter of general policy the operation of the industry should be entrusted to a statutory corporation.

The Committee has advised against breaking away now from the existing set-up, since, in ~~the~~ opinion, such a step is unjustifiable "from the ~~practical~~ practical point of view".

Reduction in the number of air transport operations from nine to five, redistribution of routes, saving in operation cost, restricted disposal of profits, revision of fares to ensure a 10 per cent return on fixed assets of a company and continuance of State aid are some of the principal points on which the Committee's reorganization scheme is based. ~~Diagnosing~~ Diagnosing the ills the industry is at present suffering from, the report says ~~the~~ the unsatisfactory financial conditions of the airlines are mainly due to the congestion of operators, resulting in multiplication of overhead charges, increased costs, and

wasteful competition with the cumulative effect of reduction in revenues.

According to the Committee, the air companies are over-equipped with aircraft, spare machinery and parts and personnel, acquired resources in all these being far in excess of the real needs. The high cost of aviation petrol is also listed as one of the factors responsible for the present state.

Reorganisation of the industry.- The report says that excepting Airways (India), all the operating companies incurred losses during the latest financial year. If the partial rebate of customs duty on aviation fuel granted by the Government were excluded, Airways (India) also would have shown a loss. Excluding the petrol rebate, which amounted to approximately 3.78 million rupees, the combined loss of all the companies for the year amounted to about 11 million rupees. Many of the companies have not made adequate provision for depreciation and if this were taken into account the loss would be considerably higher. There has been a tendency to reduce fares, particularly after the introduction of the night air mail services, which has accentuated the difficulties of the companies, as, while their operating costs continue to be high, their revenues have tended to go down.

In recommending reorganization of the industry, the Report has taken account of the present position under which 10-year-term licences have been given to six operating companies who thus have the right to operate their routes unless the number is reduced by voluntary merger. An ideal pattern would be to have only four operators with their bases at Bombay, Delhi, Calcutta and Hyderabad, but beyond a proposal for a merger of Air Services of India and Deccan Airways, which the Committee warmly supports, no constructive suggestion in this regard came from any companies.

State financial aid.- Having regard to the experience the world over which shows that successful operation of air transport services has been possible only through financial and other assistance given by the State, the Report has assumed that the Government recognizes the principle of financial assistance by the State to the industry. It, however, considers that the present system of assistance by which the operating companies are given rebate of customs duty on aviation fuel consumed by them to the extent of nine annas per gallon is not satisfactory, as it does not take into account the reasonable needs of each company, ~~which~~ but gives assistance depending merely upon the amount of aviation fuel consumed. The Committee has recommended that the need of each company should first be worked out on the basis of its reasonable costs of operation and reasonable ~~est~~

estimate of potential revenue. Over and above this need, the company should be allowed a small margin of profit at the rate of 8 per cent of fixed capital assets; this after providing for income-tax amounting to about 3 1/4 per cent and reserve 1 1/4 per cent will leave not more than 3 1/2 per cent to the company for distribution to shareholders as dividend.

An assessment of the financial position of the operating companies under the Committee's scheme of reorganization shows that each operating unit will earn a gross profit of more than 8 per cent on its fixed assets. This is on the assumption that the operating companies bring down their costs to the level of the standard costs evolved by the Committee. The Committee considers that it should be possible for the companies to achieve this and become self-supporting by 1 January 1953 and no assistance from the Government would then be necessary.

To enable the companies to bring down their costs to the Committee's standard level of costs in an orderly manner, the Government should ~~xxxx~~ continue its present financial assistance of partial rebate of petrol duty for some time more. For the period from 1 October 1950 to 31 December 1951, the rebate should continue at the present rate of nine annas per gallon of aviation fuel consumed. For the year 1952, the rebate should be reduced to six annas a gallon. This interim assistance should apply only to scheduled operations and not to non-scheduled operations, which should be on a self-supporting basis.

Restrictions on the disposal of profits.- To ensure that the future profits made by the industry as a result of assistance given by the Government are not frittered away, the following restrictions should be imposed on the disposal of profits: (i) So long as a company receives a subsidy from the Government, this subsidy should first be utilized to meet the operating loss, if any, and to provide the prescribed contribution to the reserve. Out of the balance, if any, a dividend of more than 3 1/2 per cent should not be given and any balance still left ~~xxxx~~ should be paid into a special reserve fund earmarked for replacements and development; and (ii) When the company begins to earn a profit without assistance from the Government, it should not declare a dividend exceeding 5 per cent until an amount equal to the total subsidy, if any, received by it from the Government for the period beginning 1 January 1953, has been paid into the special reserve fund.

Question of state ownership.- The Report has examined the question of state ownership and operation of air services and has detailed the advantages and disadvantages of such operation. While it is of the view that the operation of the air transport services in India by a unified State organisation will in ~~theory~~ theory have significant advantages, from the practical point of view the Report considers that there is no justification for changing the present position under which air services are being operated by private operating companies. The Committee expects that after its ~~reorga~~ reorganization scheme comes into operation and with a certain amount of flexibility allowed to the operating companies in the working of their services, the Government will not be saddled with any serious liability for the payment of subsidy. The Report has therefore come to the conclusion that there is no justification to break away from the present set-up. Should Government, however, ultimately decide as a matter of policy upon State ownership of air transport services, ~~it~~ it is strongly of the view that their operations should be entrusted to a statutory corporation. The capital for the corporation should be provided by Government and the corporation should work on purely commercial lines.

The Air Transport Association

Air Transport Association approves report.- At a meeting held on 20 November 1950 at New Delhi, ~~it~~ accepted generally the recommendations of the Air Transport Inquiry Committee and requested the Government of India to implement these recommendations immediately. The Association, which includes Air India, Air Services of India, Bharat Airways, Airways (India) Ltd., Deccan Airways and the Indian National Airways as members, recorded its "sincere appreciation of the excellent work ~~of~~ done by the Committee", which has, on the whole, arrived "at a fair and just solution of the problem".

(The Statesman, 30-10-1950;
Indian News Chronicle, 21-11-1950).

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Revision of the Indian Companies Act, 1913:
Committee to examine Question appointed.

By a resolution dated 28 October 1950, the Government of India has appointed a Committee, consisting of 13 members with Mr. C.H. Bhabha as chairman and Mr. D.L. Majumdar, officer on Special Duty, Ministry of Commerce as Secretary, to examine the question of revision of the Indian Companies Act, 1913. According to the terms of reference, the Committee would, having due regard to the conditions necessary for the healthy growth of joint stock enterprises and the desirability of adequately safeguarding the interests of investors and the public, consider and report on ~~what~~ ^{the} amendments ~~are~~ necessary in the Indian Companies Act, 1913 as amended by Act XXII of 1936, with particular reference to: (a) the ~~in~~ formation of companies and the day-to-day conduct of their business; (b) the powers of the management vis-a-vis share-holders and the relations between them; (c) the safeguards required against abuse of such company practices as the interlocking of directorates, voting control by majority interests in company ownership and management etc., which may be prejudicial to the public interest; and (d) the measures necessary to promote efficient and economic management of ~~companies~~ companies. The Committee would also consider any other matter, incidental to the administration of the Indian ~~Companies~~ Companies Act in its bearing on the development of Indian trade and industry.

(The Gazette of India, Part I-
Section 1, Extraordinary, dated
28 October 1950, pages 579-581).

Ceylon: Technical Assistance under Point-Four Programme: Agreement with U. S. A. concluded.

The Government of Ceylon and the Government of the United States signed a general agreement on 7 November 1950, setting out the terms and conditions for giving American aid to Ceylon under President Truman's Point-Four programme.

The agreement was understood to be the first of ~~the~~ its kind to be concluded by the Government of the United States under the Point-Four programme and is preliminary to the inauguration by the Government of the United States of a programme of technical assistance in Ceylon. The agreement deals with the problems common to all projects and programmes ~~involving~~ involving technical assistance from the United States. A separate programme of project agreements will be entered into subsequently, making it possible for undivided attention to be given to details of individual programmes or projects undertaken in Ceylon. This general agreement will be registered with the United ~~St~~ Nations secretariat.

(Ceylon News Letter, No.45/50, dated 10 November 1950; issued by the Ceylon Government Information Department Secretariat, Colombo).

46. Wages.

India - November 1950.

Higher Pay Scales for Railway Running Staff:
Government of India's Decision.

The Government of India has accepted the recommendations of the Joint Advisory Committee regarding the pay and allowances of railway running staff. The recommendations include the grant of higher scales of pay for 'C' grade driver, 'C' grade guards, shunters and firemen, the adjustment of the scale of pay allotted to brakemen and an increase in the ~~an~~ majority of cases.

A press note issued by the Railway Board in this connection says that pay and allowances of railway running staff have for some considerable time been the subject of a series of investigations with a view to determining what is equitable in the light of the general revision of scales of pay which has taken place in respect of other categories as a result of the Central Pay Commission's recommendations. The Central Pay Commission had suggested certain basic scales of pay for the various classes of running staff but in respect of the other and significant portion of their emoluments, which consist of what are known as running allowances, they left the matter to be decided after further investigation, merely suggesting that the ceiling limit should be the average monthly allowances drawn by employees under the rules current in 1946. The question whether the proportion of the total emoluments of such staff represented by running allowances should be altered has been under the consideration of the Government for some time.

In order to reach finality on the lines indicated by the Central Pay Commission, a committee of officers was set up by the Government which considered ~~an~~ de novo both the basic pay and the running allowances and suggested bases designed to protect the legitimate interests of both the staff and the Administration. The recommendations of this committee which were made after considering the representations of workers and their unions were accepted by the Government with some improvements, and these were implemented.

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The Joint Advisory Committee which was set up by the Government in May 1949 (vide pages 1-2 of the report of this Office for May 1949), however, took up consideration of the pay and allowances of the running staff and made recommendations which were calculated to increase the emoluments of such staff. The recommendations ~~which~~ include the grant of higher scales of pay for 'C' grade drivers, 'C' grade guards, shunters and firemen, the adjustment of the scale of pay allotted to brakemen and an increase in the scale of running allowances in the majority of cases. These recommendations, which are estimated to involve an additional expenditure of 2.0 million rupees per annum over what Government had already agreed upon, have been accepted by Government in toto.

(The Hindustan Times, 24-11-1950).

Madras: Minimum Rates of Wages for Employees
in Oil Mills and Rice Mills, Flour Mills or
Dal Mills.

Reference was made at pages 31-32 of the report of this Office for June 1950 to the Madras Government's proposals for fixing minimum rates of wages for employees in ~~and~~ oil mills and rice mills, flour mills or dal mills. The proposals have now been approved, with a few changes. In the case of workers in oil mills, the minimum rates of daily wages have been reduced for carpenters to 1 rupee 8 annas from 2 rupees 4 annas, for cake carriers to one rupee from 1 rupee 2 annas and for filtermen and oilers to 1 rupee 2 annas from 1 rupee 4 annas. In the case of employees in Rice mills, flour mills or dal mills, the daily minimum rates of wages for oilers have been increased from 1 rupee to 1 rupee 2 annas. These minimum rates of wages would come into force ~~at~~ with effect from 1 January 1951.

(The Fort St. George Gazette, Part I,
dated 31 October 1950, ~~pages~~ page 2954).

Minimum Rates of Wages in certain Establishments
under Central Government: Draft Schedule published.

By a notification dated 10 October 1950 under the Minimum Wages Act, 1948, the Government of India has published the draft of minimum rates of wages payable in respect of the lowest categories of employees specified in a schedule in the major ports of Madras, Cochin, Bombay and Calcutta, work-charged staff and contract labour of the Central Public Works Department, the Delhi Transport Service and the Harness and Saddlery Factory, Kanpur. The draft will be taken into consideration after 26 December 1950.

(The Gazette of India, Part II-Section 3,
dated 14 October 1950, pages 761-781).

Bihar: Fixation of Minimum Wages in Mica
Factories: Enquiry Committee appointed.

In exercise of the powers conferred under the Minimum Wages Act, 1948, the Government of Bihar has appointed a Committee, consisting of three members each representing employers, workers and independent persons with Mr. V.D. Mishra, Deputy Commissioner, Hazaribagh as chairman, to hold enquiries and advise the Government in fixing the minimum rates of wages in respect of employment in mica factories in Bihar.

(The Bihar Gazette, Part I, dated
18 October 1950, page 558).

Bombay: Fixation of Minimum Wages for Persons
employed under Local Bodies: Enquiry Committee
set up.

By a resolution dated 10 October 1950, the Government of Bombay has set up a committee consisting of two representatives each of employers and workers and Prof. D.G. Karve as chairman, to hold ~~enquiries~~ enquiries and advise it for the purpose of fixing the minimum rates of wages in respect of employment under local authorities, under the Minimum Wages Act, 1948.

(The Bombay Government Gazette, Part I, dated 19 October 1950, page 6047).

The Minimum Wages (Central) Rules, 1950.

The draft of the Minimum Wages (Central) Rules, 1950 (vide page 39 of the report of this Office for July 1950) has now been approved and gazetted on 14 October 1950.

(The Gazette of India, Part II-Section 3, dated ~~14~~ 14 October 1950, pages 781-797).

Madras: Draft Rules published under the Minimum
Wages Act, 1948.

In exercise of the powers conferred under section 30 of the Minimum Wages Act, 1948, the Government of Madras has published the draft of the Minimum Wages (Madras) Rules, 1950. The draft, which will be taken into consideration after 20 December 1950, is on the same lines as the Minimum Wages (Central) Rules, 1950.

(The Fort St. George Gazette, Rules Supplement to Part I, dated 17 October, 1950, pages 403-413).

47. Reconstruction Plans.

India - November 1950.

National Metallurgical Laboratory opened at
Jamshedpur.

The National Metallurgical Laboratory, fifth in the chain of national laboratories, was opened by the Prime Minister, Mr. Jawaharlal Nehru, at Jamshedpur on 26 November 1950.

Functions of the Laboratory.- The laboratory will cover in general various aspects of metallurgical research, both fundamental and applied and will carry out research on ores, minerals, and refractories as applied to metallurgy. Provisions have been made in the National Metallurgical Laboratory for administration, statistical studies, chemical analysis, metallography, physical chemistry, physics, the examination, preparation and smelting of metallic ores, the melting and heat treatment of metals and alloys, research into the structure and physical properties of metals and alloys, processing, mechanical working and testing of metallic products, electro-deposition, corrosion, and surface treatment of metals, and research on refractories. Facilities are also provided for the application of research results to commercial operating conditions, and for the study of such conditions as they affect the quality of the products and the efficiency and economy of commercial production. The laboratory is also meant to function as a clearing house for information. It would also advise on the preparation of specifications for Indian conditions and would carry out standard tests whereby the quality of manufactured products could easily be tested.

Prof. Charles ~~Ginsard~~ Cussard is the Director of the Laboratory.

(Amrita Bazar Patrika, 27-11-1950;
Indian News Chronicle, 27-11-1950).

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Chapter 5. Working Conditions.

56. Labour Administration.

India - November 1950.

Madras: Working of the Factories Act, 1948,
MM during the Year 1949*.

Enforcement of the new Factories Act, 1948.- The most salient feature in the period under review is the coming into force of the Factories Act, 1948, on the first day of ~~April~~ April 1949 repealing the Factories Act, 1934, which was on the statute since 1935.

Number of factories and workers employed.- The report on the working of the Act for the year 1949 shows that there were 5,498 factories in the State at the end of the year against 4,167 at the end of 1948. Of the 5,938 factories only 5,432 were in commission. The average number of workers employed daily was 323,950 against 288,722 in 1948. The increase in the number of operatives was due to the increase in the number of factories, mainly the non-power factories employing ten and more persons to which the provisions of the Factories Act, 1948, were extended. The following table shows the number of factories and persons employed industry-wise:-

Industries	Number of factories	Average daily number of workers employed
1. Government and Local Fund factories.....	122	28,863
2. Textiles.....	279	103,358
3. Engineering.....	538	24,314
4. Minerals and metals.....	144	6,082
5. Food, drink and tobacco...	2498	83,112
6. Chemicals, dyes, etc.....	300	13,866
7. Paper and printing.....	444	11,490
8. Wood, stone and glass.....	292	22,045
9. Gins and presses.....	423	14,536
10. Skins and hides.....	275	9,642
11. Miscellaneous.....	117	6,642

* Report on the Working of the Factories Act in the State of Madras for the Year 1949; pages 44 x 1; price 2 Rupees 2 Annas.

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Inspection.- Due to strengthening of the Factory Inspectorate in 1947, the number of inspections made increased from 9,173 in 1948 to 11,511 in 1949.

Health, safety and welfare.- The managements of the factories continued to take increasing interest in the welfare of workers in providing amenities to them. Twenty-five more factories provided housing accommodation and 19 factories opened schools and 16 factories opened co-operative stores for the benefit of the workers. Canteens and co-operative stores were organized in many factories for the supply of food and clothing at cheap rates. Recreational facilities and medical facilities were also provided by the employers to the workers in big factories.

Strikes.- There were 56 strikes as against 147 in 1948 and 164 in 1947. Almost all the strikes ended indefinitely. Conciliation by the Labour department proved successful in four cases, in which they had intervened.

Accidents.- The total number of accidents reported for the year was 6,133 as against 6,767 in the previous year. Of the 6,133 accidents, 44 were fatal, 1,077 serious and 5,012 minor as against 45, 1,193 and 5,529 respectively, in the previous year. Fatal accidents decreased from 45 to 44 and minor accidents decreased from 5,529 to 5,012. The majority of these minor accidents were reported by the railway workshops and textile mills. In ~~42~~ 142 cases, the injured persons were paid compensation amounting to 97,705 rupees 7 annas.

Prosecutions.- Occupiers and managers of 136 factories involving 149 persons were prosecuted during the year. Convictions were obtained against 111 factories involving 121 persons. A sum of 7,352 rupees was imposed as fines ranging from a minimum of 5 rupees to a maximum of 200 rupees. Prosecutions against 25 were pending disposal at the end of the year.

(The report on the working of the Factories Act during 1948 was summarised at pages 55-56 of the report of this Office for September 1949).

59. General.

India - November 1950.

Assam: Factories Rules, 1950.

The draft Assam Factories Rules, 1950 (vide page 60 of the report of this Office for January 1949) has now been approved and was gazetted on 8 November 1950.

(The Assam Gazette, Part IIA, dated 8 November 1950, pages 1849-1958).

CHAPTER 6. GENERAL RIGHTS OF WORKERS.

INDIA - NOVEMBER 1950.

61. Civil and Political Rights of Workers.

The Madhya Pradesh Public Security Measures Act, 1950 (No. XXIII of 1950).

The Madhya Pradesh Public Security Measures Bill (vide page 71 of the report of this Office for October 1950) as passed by the State legislature was assented to by the President on 12 October 1950 and has been gazetted as Act No. XXIII of 1950.

(The Madhya Pradesh Gazette,
Extraordinary, dated 13 October,
1950, pages 1089-1100).

63. Individual Labour Contracts.

India - November 1950.

U.P.: Industrial Employment (Standing Orders)
Act, 1946: Extension.

By a notification dated 15 November 1950 under the Industrial Employment (Standing Orders) Act 1946 the Government of Uttar Pradesh has extended the Act to industrial establishments employing less than 100 workmen, in which the employers voluntarily apply for certification of standing orders in accordance with the Act.

(Notification No. 2828(LL)/XVIII-450(LL)-50, dated 15 November 1950; Government Gazette of the Uttar Pradesh, ~~Part~~ Part I, dated 18 November 1950, page 894).

66. Strike and Lockout Rights.

India - November 1950.

Madras: Fertilisers and Heavy Chemical Industries
declared Public Utility Service under the Industrial
Disputes Act, 1947.

By a notification dated 3 November 1950, the Government of Madras has declared the industries engaged in the manufacture of fertilisers and heavy chemicals in the State to be a public utility service for the purpose of the Industrial Disputes Act, 1947, for a period of six months with effect from 7 November 1950.

(The Fort St. George Gazette, Part I,
dated 7 November 1950, page 3010).

West Bengal: Sugar Industry declared Public
Utility Service under the Industrial Disputes
Act, 1947.

In exercise of the powers conferred under ~~the~~ section 2 of the Industrial Disputes Act, 1947, the Government of West Bengal has declared the sugar industry to be a public utility service for the purposes of the Industrial Disputes Act, 1947, for a period of six months with effect from 16 October 1950.

(The ~~xxx~~ Calcutta Gazette, Part I,
dated 26 October 1950, page 2137).

67. Conciliation and Arbitration.

India - November 1950.

Bihar: Bonus and Leave Facilities for Sugar Mill Workers: Industrial Tribunal's Award.

The Bihar Government referred in February 1950 to an industrial tribunal, an industrial dispute between 29 sugar mills in Bihar and their employees, relating among other things, to bonus for the year 1948-1949, retaining allowance and leave facilities. The Tribunal published its award on 5 October 1950, a summary of which is given below.

Bonus.- The Tribunal ruled that 23 mills out of 29 should pay bonus for the season 1948-49 at the rate of six annas per maund of sugar produced, where the total quantity of cane crushed during the season was between 1.1 million and 1.8 million maunds; eight annas per maund in case of mills crushing sugarcane between 1.8 million and 2.0 million maunds; and ten annas per maund in case of mills crushing sugarcane between 2.0 million and 3.5 million maunds. The remaining six mills were exempted from the payment, since they could not afford to bear the additional burden of bonus. The Tribunal also restored the cut of one anna per maund in the bonus for the year 1947-1948 (vide pages 42-43 of the report of this Office for January 1950). The bonus is to be paid within six weeks of the date of publication of the award.

Leave facilities.- The Tribunal directed that the system of compulsory leave (sending a worker permanently employed on leave) should be discontinued. The permanent staff should get total leave and holidays up to 110 days in the year, made up of 14 days festival holidays, 52 days weekly off-days, 18 days earned or privilege leave, 14 days sick leave, and 12 days casual leave. The seasonal workers, besides getting one day off in the week, are entitled to get 7 days sick leave on full pay on medical certificate, and to no other kind of leave, except under the section 79 of the Factories Act and such festival holidays as fall during the crushing season.

Retaining allowance.- Retaining allowance has been awarded for skilled seasonal labour and clerical staff at fifty per cent of their wages, and semi-skilled seasonal labour at twenty-five per cent of their wages. The ~~six~~ retaining allowance has to be paid at the beginning of the crushing season on the worker joining his duties. Unskilled seasonal labour

was held not entitled to any ~~retaining~~ retaining allowance.

(The Bihar Gazette, Extraordinary,
dated 5 October, 1950, pages 1-76).

CHAPTER 7. EMPLOYMENT AND UNEMPLOYMENT.

INDIA - NOVEMBER 1950.

71. Organisation of the Labour Market.

Repeal of Criminal Tribes Act urged: Inquiry Committee's Recommendations.

The repeal of the Criminal Tribes Act and the enactment of a Habitual Offenders Act in its place are recommended by the Criminal Tribes Act Inquiry Committee in its report submitted to the Government during November 1950. The Committee was appointed in September 1949 (vide page 62 of the report of this Office for October 1949), to inquire into the working of the Criminal Tribes Act passed in 1872. The law affects about 22.2 million of people termed as "criminal tribes" on the basis of their birth.

In its report the Committee has traced the history of the 80-year-old Act, the progress made by these backward classes in various States, the working of the law in the States and the effect of its repeal in the States of Madras and Bombay.

In the Committee's opinion, the repeal of the Act in Madras and Bombay has in no way tended to increase crime in those two States. It points out that if untouchability is considered a curse on the social side, it is no less wrong to condemn people as "criminals" on the mere ground that they happen to be born in certain tribes. There is no precedent for such a law anywhere in the world.

The Committee has recommended that even under the proposed Habitual Offenders Act only those persons who have been found guilty of offences relating to property, ~~as~~ etc., at least twice within the past five years, should be kept in settlements and reformatories. It has also recommended that industrial and agricultural settlements should be organized by the Government for settling these people. Those who are released consequent on the repeal of the Criminal Tribes Act (and who are not habitual offenders) are to be helped with land or money according to the Committee's scheme. They are to have their own panchayats to deal with miscreants,

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and welfare officers are to be appointed by the Government to look after them. The Committee also proposes that their children should be allowed to mix with other children freely in schools and scholarships and other assistance should be given to them.

As regards the repeal of the Act, the Committee has recommended that instead of each State enacting a separate Habitual Offenders Act, there should be a Central Act for the whole country. Since the States may not have sufficient funds to undertake reformative work for the tribes on a large scale the Committee has recommended that the Centre should make grants to the States for a certain number of years.

(The Hindustan Times, 14-11-1950).

Retrenchment of Labour in India: Analysis of
Law and Practice and Industrial Awards.

An examination of the law and practice and adjudicators' awards on the subject of retrenchment is contained in an article in the Indian Labour Gazette, for September 1950. The article reviews the principles and practice relating to retrenchment in foreign countries as well as India. Portions of the article relating to India are summarised below.

During the war years industrial employment in India increased considerably but after reaching its peak in 1945 the employment situation deteriorated. The sellers' market disappeared and opportunities of employment, both in private and public service, declined. The statistics of registrations and placings by the employment service bear this out. For instance, registration for employment increased from 868,787 during 1948 to 1,066,351 during 1949. On the other hand placings declined from 259,774 during 1948 to 256,809 during 1949. In the cotton mill industry particularly there have been closures of mills due to accumulation of cloth and yarn, shortage of raw materials, etc. Temporary play-offs have also been numerous and the employers have been pressing for rationalisation and retrenchment of the surplus labour. ~~and a committee was appointed to enquire into the~~ The coal mining industry has been faced with the problem of surplus labour and a committee was appointed to enquire into the

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question of retrenchment. In the plantations also, particularly in the Cachar district in North East India, the industry is faced with the problem of retrenching some of its workers.

Recommendations of Enquiry Committees- In 1928 there was a prolonged dispute in the Bombay cotton mill industry and one of the issues raised was compensation to workers who had been retrenched as a result of the introduction of rationalisation. The Fawcett Committee, which was appointed to enquire into the matter, suggested the formation of an "Out-of-work Donation Fund" for the payment of gratuity to a worker amounting to 4 to 6 weeks' wages "according to his length of service payable in suitable cases of discharged employees, who may need help during the waiting period while they are seeking employment". The Royal Commission on Labour in India commended the Fawcett Committee's proposal to all employers who find themselves faced with the same problems of rationalisation. The Commission did not think that the establishment of a statutory system of unemployment insurance in India was feasible mainly because of the high labour turnover and the absence of a permanent and regular industrial population.

The Bombay Textile Labour Enquiry Committee (1940) considered the problems relating to unemployment assistance and insurance. In regard to retrenchment they recommended that (a) the workers to be retrenched should be those with the shortest length of service; (b) the employers' associations should take the responsibility for seeing that the workers discharged as a result of rationalisation in each centre are re-absorbed in the mills in that centre before new recruits are taken up; and (c) an employer dismissing workers on account of introduction of efficiency schemes should pay out-of-work gratuity to retrenched workers with a service of one year or more at the rate of one week's pay for every six months' service exceeding a period of one year, subject to a maximum of six weeks' pay. Workers with 12 months' service should receive two weeks' pay.

The question of retrenchment in the coalfields was discussed by the Surplus Labour Enquiry Committee (1948) which came to the conclusion that prior notice of any intention to close a mine must be given and the necessity for the closure should be determined by an expert committee. The Bombay Labour Advisory Board Sub-Committee (1949) suggested that there should be proper notice and the employers should make adequate efforts to mitigate misery, that the principles of seniority should be observed in retrenchment and that, retrenchment must be free from any punitive elements. It also suggested joint consultation prior to retrenchment and investigation into causes of closures.

Government of India's policy. The Government of India, in a "Memorandum on ~~Retrenchment~~ Retrenchment and How to Minimise Its Severity", which formed the basis of a discussion on the subject at the 8th session of the Labour Ministers' Conference held in December 1949 have stated as follows on this subject:-

"The employers hold that it is the employer's ultimate right to terminate the services of his employees. Normally, this right may be conceded but because of the prevailing economic crisis in the country and the danger which large scale retrenchment can be to law and order, there is justification for state interference in the unrestricted exercise of this right". The Central Advisory Council of Industries at its second meeting held in July 1949, recognised in a resolution that where such proposals (rationalisation, etc.) involve large displacement of labour, intervention of Government may become necessary. It appears necessary, therefore, that the process of retrenchment should be hedged in with safeguards. Some of the State Governments are also taking steps to face the problem. For example, in the Punjab the ~~Labour~~ Labour Advisory Board appointed in January 1950 a Sub-Committee to draw up the principles which should govern retrenchment of workers.

The Government of India have framed the following rules for the discharge of workers who are surplus to requirements in central undertakings:- In the first instance the following steps should be taken wherever possible to minimise reductions of personnel, (1) Overtime should be avoided and extra staff employed in lieu, provided this does not involve increased overall expenditure; (2) Facilities should be provided to enable workers to enjoy leave due to them; and (3) Workers who are at or above the age of superannuation should be made to retire and those nearing such age should be encouraged to retire. Secondly as a rule, discharge of personnel who are still surplus to requirements should be in accordance with the principle of short service, i.e., last man engaged should be the first man to be discharged. Due notice or wages in lieu thereof should be given. Thirdly a committee should be set up in each undertaking, wherever possible, to prepare orders for discharge in accordance with these principles. The Committee should consist of not less than three members from among the officers of the undertaking. It will be desirable to nominate in addition a representative of the workers on the Committee ~~per~~ preferably from the recognised union, if any, of the workers concerned. Fourthly each workman affected shall have a right of appeal to the committee and the committee's decision thereon shall be final. Fifthly each individual ~~affected shall~~ proposed to be discharged should be served with due notice in

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in writing. In the notice of discharge, the name of the Employment Exchange nearest to his house or place of residence should be given and he should be advised to seek the assistance of that Exchange for finding alternative employment. Lastly a list of discharged workers should be maintained and in filling future vacancies preference should be given to the discharged personnel, the selection being made by the local authorities with due regard to the local conditions.

In the Labour Relations Bill, recently introduced in Parliament, the Government of India have provided that no employer shall terminate the service of any employee who is surplus to his requirements, if such employee has been in continuous employment under him for not less than three months unless the employee has been given one month's notice in writing and the period of notice has expired, or has been paid in lieu of such notice wages for one month, and unless he has been paid by way of gratuity an amount calculated at the rate of fifteen days' average pay for every completed year of service or any part of a year. The question of enacting separate legislation to cover retrenchment in industrial establishments is also engaging the attention of Government.

Collective Agreements: The Ahmedabad Agreement.-

In September 1949 an agreement in the matter of retrenchment, under certain circumstances, of persons employed in the textile mills in the city of Ahmedabad and the compensation to be paid to retrenched persons was reached between the Ahmedabad Millowners' Association and the Textile Labour Association, Ahmedabad. The agreement is applicable to all persons retrenched from the local mills on account of replacement of or improvement in existing machinery or change in the method or process of manufacture or change in the lines of production or manufacture. No compensation under the agreement is payable in case of retrenchment resulting from complete or partial stoppages of ~~machinery~~ machines or departments due to force majeure or from discontinuance of shift under the Standing Orders. Only persons with service of five years or under will be liable to be retrenched. Persons proposed to be retrenched under the agreement will not be entitled to a notice or to payment of any wages in lieu thereof. Compensation is payable to retrenched persons on the following scale:-

- (i) Persons with continuous service of 6 months or over but under ~~one~~ year on the date of discharge. Wages and dearness allowance for 5 days.
- (ii) persons with continuous service of full ~~one~~ year. Wages and D.A. for 10 days.
- (iii) persons with continuous service of full 2 years. Wages and D.A. for 20 days.
- (iv) Persons with continuous service of full 3 years. Wages and D.A. for 45 days.
- (v) Persons with continuous service of full 4 years. Wages and D.A. for 60 days.
- (vi) Persons with continuous service of full 5 years. Wages and D.A. for 75 days.

The agreement also lays down the procedure to be followed in effecting retrenchment. Any mill desiring retrenchment under the terms of this agreement shall give a notice of ~~six~~ change to the Textile Labour Association, Ahmedabad and thereupon the ~~the~~ Textile Labour Association shall enter into an agreement with the mill within a period of 14 days.

Persons who are retrenched under the agreement shall be given a service card at the time of retrenchment.

The Madras Port Trust has devised a scheme of voluntary retrenchment of workers in their service. Under the scheme, employees who offer themselves for retrenchment would be entitled to the maximum amount of leave admissible under the rules and also a special contribution to the provident fund or gratuity for their services. The option, once exercised by an employee, will, on acceptance by the Chairman of the Trust, be final and would not be revoked. The posts thus vacated by such retrenched staff would be abolished from the date of expiry of the leave that might be granted to the employee concerned. The offer was kept open for a specified period.

Adjudicators' Awards.- The issue of retrenchment of workers has figured in several adjudication proceedings in India. Unfortunately in regard to this issue, as in the case of several other matters of dispute, there has been no uniformity in the decisions and recommendations of the Adjudicators. Nevertheless, taken as a whole, these decisions and recommendations contain several valuable suggestions. The article reviews the awards under three headings: (a) procedure to be followed in effecting retrenchment; (b) compensation for ~~retrenched~~ retrenched persons; and

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(c) re-employment of retrenched personnel.

Procedure.— Regarding notice, the workers to be ~~are~~ retrenched should be served with adequate notice according to the terms of contract. In many cases the notice period suggested by adjudicators is a month. Wages for the notice period may be paid in lieu of notice. Some adjudicators have held the view that in the absence of any contract of employment the common law of the land should apply according to which the workmen should receive one month's notice or wages in lieu thereof.

Some Adjudicators, have suggested that instead of retrenching a worker, if other work is available, he should be given an opportunity to work provided he agrees to accept the alternative employment offered. In a dispute in the Hirjee Mills, Bombay, arising out of a proposal of retrenching some women reelers, it was agreed before the Conciliator that instead of effecting retrenchment in the Department all workers would be given equal pali (turn) work as far as possible and that any vacancy arising out of dismissal, discharge, death, resignation, etc., shall not be filled till the normal complement of the Department is reached.

As regards the principles to be observed in selecting workers for retrenchment, though the recommendations of adjudicators cover a wide ~~wide~~ range of principles, there is, however, a large measure of agreement that the overriding consideration should be seniority of service. Several Adjudicators have used the phrase "Last come, first go" as one of the most important principles to be followed in effecting retrenchment. In other words the junior-most worker should be retrenched first. Many Adjudicators have, however, qualified this recommendation by a reference to the efficiency of the worker. On the other hand, some adjudicators, as for example, the Industrial Tribunal in the dispute in Kandan Textiles, Madras, hold that seniority should be the sole consideration in selecting workers for retrenchment. "As regards efficiency and conduct, all the workers should be presumed to have a minimum amount of efficiency and good conduct; otherwise their services would have been dispensed with already. If this principle were not followed, the temptation to victimise some of the workers might be very great".

The Standardisation Committee appointed by the Cochin Government recommended certain principles to be followed in regard to retrenchment. These recommendations were accepted by an Appellate Tribunal set up to enquire into a dispute in the Sitaram Spinning and Weaving Mills, Trichur. The Committee's recommendations relating to the principles and the order in which the retrenchment has to be enforced

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are given below: (1) Persons over 60 years of age unless of exceptional ability and good health; (2) Persons with physical defects such as ill-health, defective eye-sight, defective hearing, chronic diseases, etc.; (3) Habitual absentees; (4) Operatives whose efficiency is below 60 per cent; (5) Persons with the least service. In effecting retrenchment as suggested above, if there are family groups, specified percentage from each group falling within the categories above mentioned may be retrenched in preference to single individual workers.

In regard to the question of consulting representatives of workers before retrenchment is effected, the view of adjudicators seems to be that while the principle that there should be no retrenchment without the approval of the union cannot be accepted, the employers should, as far as possible, inform the union beforehand whenever any retrenchment is contemplated.

Compensation to retrenched workers.— Several adjudicators have held the view that in the absence of any contract of employment the common law of the land should prevail according to which the workmen should receive one month's notice before discharge or in lieu of it one month's wages and have accordingly awarded one month's wages as compensation for discharge. In industrial concerns where schemes of provident fund or gratuity exist, the workers, as a rule, do not put forward a claim for compensation for discharge, although some adjudicators have recommended the payment of compensation to retrenched workers not covered by such schemes. The arguments of adjudicators and industrial tribunals in this country seem to suggest that the workers cannot claim compensation for discharge as a matter of right. On the other hand, the employers should not ignore their responsibility to their old servants from the humanitarian and other points of view. The Industrial Tribunal appointed for the engineering industry in West Bengal considered that until the State has adopted a scheme of unemployment insurance the employer can be asked to bear the burden of making some provision for the period when a man is thrown out of employment through no fault of his own. Although some adjudicators have made no recommendations for compensation beyond what is payable under the Standing Orders, namely, one month's pay for monthly rated employees and 7 days' wages for daily rated workers in lieu of notice most adjudicators have granted compensation according to the length of service.

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Re-employment of retrenched workers.- Most adjudicators and industrial tribunals have held that when vacancies occur in the concern, retrenched workers should get priority for re-employment. In an award in a dispute in the Lord Krishna Sugar Mills, Saharanpur, the Adjudicator even directed that "in no case will the management employ new labour in the place of retrenched workers". Several agreements between employers and workers' unions contain a provision that retrenched workers will get priority for re-employment when vacancies occur. Some Adjudicators have laid down in some detail the procedure to be followed for ~~re-employment~~ re-employing retrenched workmen. As in the case of the order of retrenchment, so also in regard to re-employment some adjudicators have suggested that the length of service should be the sole criterion as otherwise the temptation to victimise will be great. Some adjudicators are of the view that retrenched workers who have been paid compensation need not be re-employed or taken back in the order of seniority. In regard to the question whether the service of retrenched and later re-employed workmen should be treated as continuous, divergent views have been expressed although the balance inclines towards condoning the break in service.

(Indian Labour Gazette,
September, 1950).

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73. Migration and Colonisation.

India - November 1950.

Ceylon: The Indian and Pakistani Residents
Citizenship (Amendment) Bill passed by the
Legislature.

The Ceylon House of Representatives passed on 24 November 1950, a Bill to amend the Indian and Pakistani Residents Citizenship Act, relating to Ceylon-born Indians and Indians or Pakistanis whose continuity of stay in Ceylon during the prescribed period - ten years for bachelors and seven years for married persons preceding January 1946 - has been interrupted due to stay abroad on government appointment or war service.

Hitherto persons in the first category who applied for Ceylon citizenship had to satisfy the Commissioner for Registration of Indian and Pakistani Residents that one of his ancestors had emigrated and permanently settled in Ceylon. According to clause four of the amended bill now it is sufficient for such an applicant "to show that he himself is permanently settled in Ceylon". In the case of the second category of persons the amending bill makes provision to exempt them from disability arising from the interruption in their stay in Ceylon.

(The Bombay Chronicle, 25-11-1950)

Ceylonisation of Employment: Government's Proposals Announced.

Indians and Pakistanis who secured employment in Ceylon for the first time after 1 July 1948, will, with certain exceptions, be discontinued from employment immediately if they are not citizens of Ceylon, under the Government's proposals to "Ceylonize" employment in Indian and Pakistani business establishments in Ceylon. This announcement was made by Mr. Goonesinha, Minister of State, Government of Ceylon, addressing a meeting of the committees of the Indian Mercantile Chamber and other Indian and Pakistani trade associations at Colombo on 26 November 1950.

These proposals were formulated and agreed upon at a recent conference between Mr. Goonesinha and a deputation representing these associations. They are: First, non-citizens of Ceylon who have secured employment in Ceylon for the first time subsequent to 1 July 1948, be discontinued from employment immediately. This will not, however, apply to children of proprietors and directors of private limited liability companies now resident in Ceylon. Secondly, ~~now~~ non-citizen of Ceylon will be recruited for employment hereafter. This rule will not, ~~now~~ however, apply to, (a) any employee who is transferred or changes employment from one firm to ~~another~~ another, or is transferred or rejoins after leave, or changes from one category of employment to another; (b) recruitment of non-citizens of Ceylon for types or classes of employment where citizens of Ceylon are unavailable. Government approval for such employment will be necessary; and (c) posts of confidence, such as managers or attorneys, bank agents and accountants.

(The Statesman, 27-11-1950).

CHAPTER 8. SOCIAL SECURITY.

INDIA - NOVEMBER 1950.

81. Social Insurance.

Madhya Pradesh: Working of the Workmen's Compensation Act during 1949.

Accidents and compensation paid.- According to the annual returns received from the employers, compensation was paid for 1,846 accidents during the year under review as against 1,725 during the previous year. The amount of compensation paid was 120,899 rupees in 1949 as against 99,630 rupees in 1948. Details regarding the number of accidents and the amount of compensation paid during 1949 are given below:

	Number of Accidents			Amount of compensation paid		
	Death	Permanent disablement	Temporary disablement	Death	Permanent disablement	Temporary disablement
				Rs.	Rs.	Rs.
Factories...	5	58	737	11,784	16,338	11,037
Mines.....	24	60	962	31,660	34,760	15,320
Total.	29	118	1,699	43,444	51,098	26,357

No case of ~~exceptional~~ occupational disease was reported.

Work of the Commissioners.- The Number of Commissioners under the Workmen's Compensation Act increased from 19 to 22 during the year under review, with the appointment of three sub-divisional officers as ex-officio Commissioners for Workmen's Compensation. The Commissioners dealt with 170 cases of awards of compensation during the year, of which 127 were disposed of during the year. There were 98 cases relating to deposits under Section 8, in 73 of which money was disbursed to workers or their dependants. There were, in addition, 6 other cases, of which 5 were disposed of during the year.

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The amount of compensation deposited with the Commissioners during the year was 160,810 rupees as against 103,864 rupees in the previous year. In addition, 2,763 rupees was received from other Commissioners. Of the total 81,659 rupees was awarded to dependents of deceased workers and 63,626 rupees to injured ~~workers~~ workmen. 1,800 rupees was remitted to ~~other~~ other Commissioners and 2,768 rupees was refunded to depositors. Of the amount payable to women and persons under ~~and~~ legal disability, 76,102 rupees was invested in Post Office Savings Bank and 3,287 rupees in Post Office Cash Certificates.

There were 194 cases relating to registration of agreements. Of these, 136 cases relating to permanent disablement and 41 relating to temporary disablement were registered. The amount of compensation involved in the 177 agreements registered was 50,202 rupees 13 annas and 3 pies.

An analysis of 173 cases in which compensation was awarded or disbursed by the Commissioners shows that in 51 cases the workers were having a monthly wage of below 30 rupees, in 76 30 rupees to 50 rupees and in 46 more than 50 rupees. Only in two cases the workers were found to have a monthly wage of more than 100 rupees.

Indian
(Industrial Labour Gazette,
September, 1950).

CHAPTER 9. LIVING STANDARDS.

INDIA - NOVEMBER 1950.

91. Nutrition.

Encouragement of Consumption of Subsidiary Foods: Women's Food Council set up by Central Government.

In pursuance of its decision to increase the production and to popularise the use of subsidiary goods in selected areas by intensive propaganda, the Government of India has set up an All ~~India~~ India Women's Council to organise a vigorous popular drive to encourage the consumption of subsidiary foods through propaganda, publicity, demonstration, exhibitions, canteens and organised cafeterias. The Council will be known as the "All India Women's Food Council" with headquarters ~~will be~~ at Delhi. Shrimati Rajbansi Devi (wife of the President of India) is the President of the Council and the Deputy Director (Nutrition), Ministry of Food, the Executive Secretary.

A sum of 160,280 rupees has been placed at the disposal of the Council to enable it to undertake the work entrusted to it during the period 1 September 1950 to 28 February 1951. Subject to such directions as the Government of India may issue from time to time, the Council would be competent to devise its own methods of procedure.

(The Gazette of India, Part I-Section 1, dated 21 October 1950, pages 350-351).

93. Co-operation.

India - November 1950.

Progress of Co-operative Movement in India during 1948-1949; Reserve Bank's Statistics.

The Co-operative Movement in India has shown all-round progress during the year 1948-1949, according to the statistical statements published by the Agricultural Credit Department of the Reserve Bank of India.

The total number of co-operative societies in India in that year stood at 163,875, representing an increase of about 9 per cent over the previous year's figures. Membership, which had risen by about 25 per cent during that year, stood at 12,700,000 while working capital increased by 28 per cent to 2194.9 million rupees.

Progress of non-agricultural societies.- The greatest progress has been made mainly by non-agricultural societies, whose number rose from 22,920 in 1947-48 to 27,822 in 1948-49. The working capital rose up from 607.7 million rupees to 877.3 million rupees. And the membership increased from 3.63 million to 5.45 millions. Loans advanced by these societies to their members also increased from 307.1 million rupees to 383.4 million rupees.

State-wise distribution.- Even though Uttar Pradesh leads the rest of India in the number of societies at 33,396, Madras takes the lead in membership and working capital at 2,860,000 and 703.0 million rupees respectively. Bombay comes a close second with 656.4 million rupees of working capital and these two States share among themselves about two-thirds of the total working capital of the movement in India.

Provincial co-operative banks whose working capital rose from 240.5 million rupees to 311.2 million rupees have made a total loan disbursement of 408.6 million rupees in 1948-49 as against 217.7 million rupees in 1947-48. In the case of Central Co-operative Banks their number and working capital had slightly increased from 469 to 484 and from 419.0 million rupees to 481.2 million rupees respectively.

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

INDIA - NOVEMBER 1950.

111. Agriculture.

The Punjab Tenants (Security of Tenure) Act,
1950 (No.XXII of 1950).

The Punjab Tenants (Security of Tenure) Bill, (vide page 83 of the report of this Office for October 1950) as passed by the State Legislature received the assent of the Governor on 4 November 1950 and has been gazetted as Act No.XXII of 1950.

(Punjab Government Gazette, Extraordinary, dated 6 November 1950, pages 921-928).

112. Indigenous Workers.

India - November 1950.

Safeguards for Backward Classes: Special Officer appointed under the Constitution.

The President has appointed Mr. Shreekanth as special officer under the Constitution "to investigate all matters relating to safeguards" provided for the Scheduled Castes, Scheduled Tribes and other backward classes.

A member of the Bombay Legislative Assembly, Mr. Shreekanth is a well-known social worker among the Bhil tribes.

Article 338 of the Constitution ~~specified~~ specifies that the ~~President~~ President shall appoint a special officer for scheduled castes and scheduled tribes. It shall be the duty of this officer to investigate all matters relating to the safeguards provided in the Constitution for scheduled castes and scheduled ~~tribes~~ tribes and report to the President on the working of the safeguards. These reports will then be laid before Parliament. The Officer will also in addition, look after the safeguards and welfare of the Anglo-Indian community and backward classes that might be designated by the President. ~~after a Commission appointed by him under Article 340.~~

(The Statesman, 3-11-1950).

114. Officials.

India - November 1950.

Ceylon: Enhanced Dearness Allowance for Government Employees announced.

Mr. J.R. Jayawardene, Finance Minister, Ceylon, announced in the House of Representatives on 23-11-1950 a scheme for enhanced dearness allowance for Government and Local Government employees, which will come into force with effect from October 1950. According to this scheme, married officers drawing over 100 rupees a month will be paid allowances double those paid to unmarried officers. Those below the 100 rupees income-group will be paid an additional allowance of 5 rupees a month. In addition to the extra allowances, the Government has also decided to increase the subsidy on rice by five cents a measure from December 1950. The Subsidisation Scheme will cost the Government 22 million rupees a year. The enhanced allowances will cost the Government 31,914,516 rupees a year. Both schemes will cost the Government 53,914,516 rupees. The following ~~table~~ is the basis of payment:-

Income Range	Allowance	
	Married	Unmarried
	Rs	Rs
Rs. 100 and below	5.00	5.00
Rs. 101 to 125	25.00	12.50
Rs. 126 to 150	25.00	12.50
Rs. 151 to 175	35.00	17.50
Rs. 176 to 200	45.00	22.50
Rs. 201 to 225	55.00	27.50
Rs. 226 to 250	65.00	32.50
Rs. 251 to 275	75.00	37.50
Rs. 276 to 300	85.00	42.50
Rs. 301 to 500	85.00	42.50
Rs. 501 to 525	72.00)	36.00)
Rs. 526 to 550	47.00)*	23.50)*
Rs. 551 to 575	25.00)	12.50)
Rs. 576 to 600	25.00	12.50
Rs. Over Rs.600	25.00	12.50

* Marginal relief to each officer to be fixed so that no officer in these groups draws less in total salary and allowance than the officer (married man or bachelor as the case may be) whose salary is Rs.500.

The Finance Minister hoped that mercantile establishments would follow suit.
(The Times of Ceylon, 23-11-1950).

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115. Working Conditions of Intellectual
Workers and Liberal Professions.

India - November 1950.

The All-India Convention of Working Journalists,
Delhi, 28-29 October 1950: Decision to form
Federation to be run on Trade Union Model .

An All-India Convention of Working Journalists was held at Delhi on 28 and 29 October 1950, Mr. M. Chalapathi Rau, Editor, National Herald, presiding. The Convention, which was attended by representatives from the various States of India, among other things, decided to establish a central representative body to be known as the Federation of Indian Working Journalists.

Need for organisation; Mr. Chalapathi Rau's address.- In the course of his presidential address, Mr. Chalapathi Rau stated that the convention was "rather overdue" and marked the starting-point of an effort to organize what was "the most disorganized of professions". Referring to present-day conditions, Mr. Rau said that in the maladjustment between the old and the new, men of talent were dropping out and men of character were falling by the way, without causing a moment's concern. The ~~exceptions~~ ^{prospects} for the younger generations of talent should be bright, but it was bleak. There ~~was~~ were not adequate training facilities; the army of the ill-equipped waging battles in no-man's-land was increasing. He said: "If journalists have to live from hand to mouth intellectually, their life also is a doggerel of dreary existence. Pride in the profession is giving way to cynical disregard of responsibility. The editor who is a working journalist is a hack of many trades and, when editing is three-fourths management, the overlapping between the business and editorial functions and the unwillingness to effect a proper separation of powers have led to unsatisfactory results. Newsgatherers find their enterprise strangled by publicity-hunters. Without professional satisfaction, there can be no professional pride". He also criticised monopolist tendencies in the world of press and suggested promotion of co-operative enterprise by working journalists.

States' role.- Referring to the need for the state performing functions that normally had to be performed by society, Mr. Rau said that when struggling newspapers expected equality of opportunity in a country where the economic gap was so wide that the vested interests could carry the day or when the working journalists invited intervention with regard

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to a minimum wage and fair conditions of work, it was a call to the state in an unbalanced country to redress the balance in some sectors of life. Without such redress there can be no scope for real freedom.

Mr. Rau referred ~~to~~ detail to the difficulties the Press faced by way of Press laws, Official Secrets Act, etc., and said that if these problems had not been stressed as well as they should have been, it was because of the absence of organized professional opinion. In this connection, he did not forget the All-India Editors Conference. But it had been so absorbed in its primary task of press advising that it had had no time to attend to other important problems. A conference of that kind was bound to be limited in its usefulness and ineffective for the imperative organizational tasks of the profession. "The profession has remained unorganized too long; there has been no attempt to organize either its economics or its ethics; little interest has been taken in the maintenance of its honour, dignity and honesty. There is no correspondence between responsibilities and functions. The result is a chaos of standards, a steep fall in character, and welter of false values", he said.

Mr. Rau said ^{nce} that this was the first compulsion for the emerge^{nce} of a country-wide working journalists' organisation. The second was that of making it a better profession, with healthy conditions and stability.

Emphasis on trade unionism.- He said that if the journalists must organize themselves, ~~the~~ he had no doubt that "the obvious course is to organize themselves into a trade union". Some state journalists organisations had already set up unions and there seemed to be general agreement on this point among working journalists, whatever may be the character of the newspapers on which they worked. There were also organisations which were merely professional and yet had made some progress.

Only a trade union could inspire hope and respect in employer-employee relationships and ensure equality of bargaining power. It may seem ^{er}distressing to those who thought of journalism as ^{er}intellectual profession to which no other profession offered a parallel. But the advantages of trade-unionism did not deprive the profession of ~~the~~ its professional advantages or intellectual dignity. "An industrious intellectual proletariat is preferable to pompous intellectual feudalists. Intellectual labour is in no way superior to manual labour where rights and obligations are concerned. The journalist is no superior as a craftsman to a railway man, an engineer or barrister. This is obvious whether in a capitalist or a socialist society".

Mr. Rau said that the working journalists' trade unions in other countries had in no way damaged the dignity of the profession; it had made it better. Trade-unionism became inevitable when professional organisations proved ineffective. In this connection he referred to the work of the National Union of Journalists in Britain and said the Union had not merely ensured security or decent wages but it offered legal advice and aid on professional matters, provided unemployment benefit and benevolent grants and so on. The American Newspaper Guild also had not neglected professional standards in the pursuit of trade union ends. "Trade-unionism", Mr. Rau said "means organisation, comradeship and collective bargaining, and should not be confused always with the means it has to employ on rare occasions. No journalists' trade union could afford to be merely demagogic. If this convention decides on bringing together the state associations into a trade union organisation, practicable programmes of work become necessary, not loud declarations of rights. Unity is the first condition of success. Pettiness of any kind will mean ruin".

Implications of trade unionism.- Drawing the journalists' attention to implications of trade-unionism, Mr. Rau said he was conscious of the problems it raised in a society in which organised activity was difficult, in a profession where individualism was strong. "A trade union of working journalists is necessarily a small part of the trade-union world and has to work in the set-up of a large trade", he added. Mr. Rau pointed out that the N.U.J. of Britain was part of the Joint Industrial Council of the printing industry, and was also associated with the wider trade union movement of the country. The American Newspaper Guild was an organisation for persons working in the newspaper industry, and in some units elevator boys and sweepers of the editorial rooms also sought admission. "If the working journalist considers himself to be a labourer worthy of their hire, there is no hurt to his pride or interest. But if he seeks a pedestal of his own, he has to consider whether he should keep his organization exclusive, and to that extent be less effective than he would be if he trailed behind a larger trade front".

Referring to the "political aspect of trade-unionism", the President said that the N.U.J. in Britain was affiliated to the T.U.C. without indulging in politics and covering journalists of varying political convictions. Similarly, the American Newspaper Guild was affiliated to the Congress of Industrial Organisations which, like the American Federation of Labour, was trying to remain "apolitical". But in India, every trade union was connected with a political party, directly or indirectly, and

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"there seems to be no prospect of a reversal of the political character of labour organisation". He warned that if a trade union of working journalists sought affiliation, politics was bound to intrude and unity would be jeopardised. The working journalists, while not excluding anybody from their organisation because of political ~~infirm~~ conviction or activity must resist political influence if the organisation was to serve its purpose.

Mr. Chalapathi Rau referred to the inclination of journalists towards legislation for ensuring security of service, fair conditions of work, fair wages and other amenities, and said: "It does not mean that the invitation to the government to legislate is an invitation to playful Ministers to increase their share of undue interference. Legislation has its drawbacks when it is carried to excess, though I cannot agree that the freedom of the Press, which in various countries means various things and which has come to mean anything from freedom to buy up newspapers to freedom to monopolise newsprint, would be impaired by enactment of the kind of laws demanded by working journalists".

Decisions: Central Federation set up.- The Convention decided to establish a central representative body to be known as the Federation of Indian Working Journalists. The Federation will work to maintain the dignity and integrity of the profession and to promote the welfare of journalists. It will communicate to the Central and State Governments the working journalists' point of view on matters concerning the Press and resist encroachments on the liberty of Press. It also adopted unanimously a recommendation that the Federation be run as a trade union, and authorised the President of the Convention, Mr. Chalapathi Rau, to nominate a committee to draft the Federation's constitution. A meeting will be called, not later than March next year, to ~~approve~~ approve the draft. Pending the adoption of the constitution, the Convention authorized the President to nominate the provisional executive committee and office-bearers to carry on the work of the Federation.

Concern was expressed in a resolution at the prevailing conditions in the profession - growing unemployment, insecurity of service, long working hours and, for the majority not even a living wage. The Convention demanded that employers should take immediate steps to improve the condition of working journalists and introduce salary scales in keeping with the responsibilities of the profession. It asked the employers to provide for adequate leave, insurance, provident fund and other facilities and urged members to work for such ~~improvement~~ improvement

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and "forge sanctions wherever possible". It was suggested that newspaper employees should be brought under the term "industrial workers" for the purpose of compulsory provident fund benefit ~~contemplated~~ contemplated under a proposed legislation before Parliament. The Convention also criticised the Government's failure to improve working conditions in newspapers and news agencies. An inquiry was demanded with a view to introducing legislation to enforce minimum standards of work and wages.

By another resolution, it suggested that all newspapers in India should be closed on Sundays so that weekly journalism might develop and the journalists may be able to take part in cultural and social activities.

Code of professional conduct adopted.- The Convention adopted a code of professional conduct for working journalists according to which a member should do nothing that would bring discredit to himself, his newspaper or the profession. No member should seek promotion, or seek to obtain the position of another journalist by unfair methods.

The Convention suggested that the entire work of accrediting journalists should be entrusted to their professional bodies as in Britain and the U.S.A. It also urged that the system of accreditation should be introduced wherever it is not in force. Increased opportunities ~~should~~ should be given to working journalists to go abroad and study political, industrial and humanitarian institutions, the Convention requested the Government. Scholarships should be awarded in co-operation with newspaper proprietors.

The Convention viewed with concern the attacks by the Government on the freedom of the Press. During the last three years many newspapers had been suppressed by executive orders and many others had to cease publication on account of demand of securities. The restrictive and repressive ~~in~~ laws should be withdrawn, it demanded.

(The Statesman, 29 and 30-10-1950).

117. Shopworkers.

India - November 1950.

The Madhya Pradesh Shops and Establishments
(Amendment) Act, 1950 (Act No. XXXIII of 1950).

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The Madhya Pradesh Shops and Establishments
(Amendment) Bill, 1950 (vide page 89 of the report
of this Office for October 1950) as passed by the
State Legislative Assembly was assented to by the
Governor on 30 October 1950 and has been gazetted
on 3 November 1950 as Act No. XXXIII of 1950.

(The Madhya Pradesh Gazette, Part IV(B),
dated 3 November 1950, pages 483-486).

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CHAPTER 12. INDUSTRIAL COMMITTEES.

INDIA - NOVEMBER 1950.

121. Special Information.

Third Session of Tripartite Industrial Committee
on Plantations, New Delhi, 4 and 5 November 1950.

The third session of the Tripartite Industrial Committee on Plantations was held at New Delhi on 4 and 5 November 1950. Mr. Kalipada Mukerjee, Labour Minister, Government of West Bengal, presided. The session, which was attended by eight representatives each of Government, employers and workers considered among other subjects, the draft of a Plantation Labour Bill, which the Government of India proposes to introduce with a view to regulating the conditions of plantation labour all over the country. It also discussed welfare activities and housing of plantation labour, and the abolition of the Kangany system of recruitment. The Governments' representatives on the Committee, besides the Central Government, were, Assam, West Bengal, Madras, Travancore-Cochin, Mysore and Coorg-Tripura. The I.L.O. was represented by two observers.

Plantation Labour Bill.- The Committee reiterated the necessity for a plantation labour code to regulate the conditions of plantation labour all over the country.

The proposed Bill will apply to tea, coffee, rubber and cinchona estates of ten acres or more employing 20 or more persons. Workers in factories attached to estates will be excluded from the scope of this Bill, as they are already governed by the Factories Act of 1948. The draft Bill fixes the maximum weekly hours of work at 54; it also provides for ~~an~~ a paid weekly rest day and for paid holidays. Under its provisions employers are bound to provide housing accommodation to workers according to specified standards, and make arrangements for the education of workers' children. Children below 12 years of age ~~are~~ prohibited from employment, while those between the ages of 12 and 15 may only be allowed to work on production of a certificate of fitness from a competent medical authority. Night work for women and children is also prohibited. Provision is also made regarding hygienic arrangements and medical facilities to be provided by the employers. The Government may set up inspection services, for the cost of which the employers are to be responsible.

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The representatives of employers criticised the draft Bill, as it did not include provision for the fixation of minimum wages and did not give comprehensive directions on several other matters. They felt that the inspectorate sought to be set up under the Bill would add to their costs. Similarly, the weekly day of rest with pay would increase their wage bill considerably. While conceding the need for providing holidays with pay, it was pointed out that this would also add to the cost of production. They opposed the provisions relating to education, and contended that primary education was the responsibility of the State, it was unfair to burden the employers as they were already contributing to a primary rural education cess.

The Chairman pointed out that the provision enabled the appropriate Government to make such rules as it thought fit and assured that the conditions prevailing in any State would be taken into consideration before giving direction on this matter.

The workers' spokesmen, on the other hand, supported the main principles underlying the Bill.

Housing.— The question of housing for plantation workers was first discussed at the first session of the Committee, held in 1947. It was then recognised that although account should be taken of the scarcity of materials, the construction of houses could not be further postponed. As a first step, the different planters' associations in North and South India were requested to prepare plans of workers' houses after examining what type of houses should be built and what accommodation should be provided. Most of the plans forwarded by the associations fell short of standards recommended by the Industrial Housing Sub-Committee of the Standing Labour Committee and, therefore, could not be accepted by the Government without substantial modifications.

The question was again discussed at the second session of the Committee in 1948. The Committee then accepted the proposal for setting up housing boards for acquiring and developing areas suitable for the construction of houses for workers and for raising funds required for building. The question was further discussed at the meeting of the Standing Plantation Committee held in September 1949. The principle that houses should be provided by the employers within a reasonable time was accepted.

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The Committee at its present session reaffirmed the liability of the employer to provide housing facilities to workers. It laid down certain standard building specifications and recommended that employers should aim at a target of providing eight per cent of the population of plantation gardens with houses every year.

Kangani system of recruitment.- The question of the abolition of the Kangani system of recruitment, was referred to a sub-committee, comprising representatives of plantation employers and workers and the Governments of the States in South India where this system prevailed. The sub-committee is to examine the problem and report to the Committee within three months.

Training facilities for women.- The Committee recommended that a sum of rupees 400,000 out of the surplus in the current year's budget of the Central Tea Board be utilised for providing training facilities to women and child workers of tea gardens. Under the scheme, it is proposed to give training in subjects like child welfare, sewing, spinning, knitting, silk-rearing etc.

(A Special Report on this subject was sent under this Office Minute No.C.3/2275/50 dated 8 November 1950).

(Summarised from copies of memoranda submitted at the meeting and press communiqués issued by the Press Information Bureau of Government of India;

The Hindu, dated 6-11-1950).

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

INDIA - NOVEMBER 1950.

International Labour Organisation

- (a) Chief Ministers Speak (being Resumes of the Activities of the Governments, Central and States, during the years, 1947-1950) Published by All-India Congress Committee (Publications Department) 7, Jantar Mantar Road, New Delhi, pp.241, price Rs.2-8-0.
- (b) The Indian National Congress: Report of the General Secretaries. January 1949-September 1950; Published by the All-India Congress Committee, 7, Jantar Mantar Road, New Delhi, pp.95.
- (c) The Indian National Congress Fifty-Sixth Session, Nasik, 20th and 21st September 1950 - Resolutions, pp.8.
- (d) The Indian National Congress, Fifty-sixth Session, Nasik, 20 September 1950, English Rendering of President's Hindi Address, pp.28.
- (e) Second year of Freedom, August 1948 - August 1949. Published by the Indian National Congress, pp.118, price Rs.3-0-0.
- (f) Third year of freedom, August 1949 - August 1950. Published by the Indian National Congress, pp.139, price Rs.3-0-0.

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Professional Organisations

- (a) Indian National Trade Union Congress: Annual Report (May 1949 to September 1950) presented by Shri Harihar Nath Shastri, M.P., General Secretary, at the 3rd Annual Session, held at Jamshedpur on 29th October, 1950. Central Office, 17, Queensway, New Delhi, pp.56.
- (b) Report of the Millowners' Association, Bombay. Report for the year 1949 presented to the Annual General Meeting held on Wednesday, 12th April 1950, pp.449 x XVII.
- (c) Report of the Executive Committee of the Association of Planters of Travancore for the year 1949-1950, pp.14.

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Economic Questions

- (a) Ministry of Commerce, Government of India: Review of the Trade of India in 1945-1946 and 1946-1947. Published by the Manager of Publications, Delhi. Price Rs.5-12, pp.241.
- (b) Our Immediate Programme: Published by the ~~the~~ All-India Congress Committee, 7 Janatar Mantar Road, New Delhi, pp.99. Price Rs.2.

Working Conditions

- (a) Report on the Working of the Factories Act, in the State of Madras for the year 1949, pp.43, Price 2 Rupees 2 Annas.
- (b) Annual Report on the Working of the Tea Districts Emigrant Labour Act (XXII of 1943) for the year ending the 30th September 1948. Printed at the Assam Government Press, Shillong, pp.38.
- (c) Report on the Working of the Factories Act, 1948, in Assam for the year 1949; Printed at the Assam Government Press, Shillong, Price 12 annas; pp.18.

Problems Peculiar to Certain Occupations or Categories of Occupations

- (a) Government of Madhya Pradesh, Agriculture Department; Report on the Working of the Department of Agriculture, Central Provinces and Berar for the year ending the 31st March 1947, Nagpur, Government Printing, Madhya Pradesh, 1950. Price. Annas 8, pp.20.
 - (b) ~~BE~~ Government of Madhya Pradesh, Agriculture Department; Report on the Working of the Department of Agriculture, Central Provinces and Berar for the year ending 31st March 1948. Nagpur, Government Printing, Madhya Pradesh, Price: annas 8, pp.25.
 - (c) Administration Report of the Madras ~~and~~ Port Trust for 1949-1950, pp.32.
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