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INTERNATIONAL LABOUR OFFICE
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Industrial and Labour Development in December, 1950.

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

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CHAPTER 1. INTERNATIONAL LABOUR ORGANISATION.

INDIA - DECEMBER 1950.

11. Political Situation and Administrative Action.

Cabinet Reshuffle announced: Reorganisation of Secretariat.

Consequent upon the death of Sardar Vallabhbhai Patel, the Indian Cabinet has been reshuffled. Besides, important changes in the distribution of ministerial portfolios and departments have also been announced. The following is the reshuffled Cabinet:-
Mr. Jawaharlal Nehru - Prime Minister and Minister for External Affairs and Commonwealth Relations.
Maulana Abul Kalam Azad - Education.
Mr. C. Rajagopalachari - Home Affairs.
Mr. Chintaman Deshmukh - Finance.
Mr. N. Gopalaswami Ayyangar - Transport and Railways and States.
Mr. Hare Krushna Mahtab - Commerce and Industry.
Mr. N.V. Gadgil - Works, Production and Supply.
Mr. Sri Prakasa - Natural Resources and Scientific Research.

Mr. Baldev Singh - Defence.
Mr. K.M. Munshi - Food and Agriculture.
Mr. Rafi Ahmed Kidwai - Communications.
Shrimati Amrit Kaur - Health.
Mr. Jagjiwan Ram - Labour.
Dr. B.R. Ambedkar - Law.

Ministers of State:-

Mr. E.R. Diwakar - Information and Broadcasting.
Mr. K. Santhanam - Transport and Railways.
Mr. Ajit Prasad Jain - Rehabilitation.
Mr. Satyanarain Sinha - Parliamentary Affairs.
Mr. C.C. Biswas - Minorities.

Deputy Ministers:-

Mr. Khurshed Lal - Communications.
Mr. B.V. Keskar - External Affairs.
Mr. D.P. Karmarkar - Commerce and Industry.
Mr. Gen. Himatsinhji - Defence.
Mr. S. Buragohain - Works, Production and Supply.
Mr. M. Thirumala Rao - Food and Agriculture.

Reorganisation of Secretariat.- With a view to greater administrative efficiency and as a measure of economy, the Government of India proposes to reorganise certain departments of the Central Secretariat. As a first step, the existing Ministry of Commerce, Ministry of Industry and Supply, Ministry of Works, Mines and Power, and the Department of Scientific Research will be reconstituted in accordance with an order which has been made by the President under Article 77 of the Constitution.

According to the order, in the place of the Ministry of Industry and Supply, the Ministry of Commerce, the Ministry of Works, Mines and Power, and the Department of Scientific Research, the

following Ministries shall be constituted, namely, Ministry of Commerce and Industry; the Ministry of Works, ~~Mix~~ Production and Supply; and the Ministry of Natural Resources and Scientific Research. The business of the Government of India at present transacted by ~~the~~ the Ministry of ~~and~~ Industry and Supply, the Ministry of Commerce, the Ministry of Works, Mines and Power~~s~~, and the Department of Scientific Research shall be allocated among the Ministries as follows:-

Commerce and Industry.- (1) All existing subjects at present dealt with in the Ministry of Commerce, excluding (a) Insurance (b) Company Law. (2) All existing subjects at present dealt with in the Ministry of Industry and Supply excluding the following:-(a) Supply, including purchase and disposal of stores. (b) Production and distribution of Salt. (c) Production and distribution of coal. (d) Government industrial undertakings.

Works, Production and Supply.- (1) All existing subjects at present dealt with in the Ministry of Works, Mines and Power excluding the following:-(a) Mines; (b) Geological Survey; (c) Power (including Central ~~the~~ Electricity Board); (d) Irrigation (including Central Water, Power, Irrigation and Navigation Board). (2) Supply including purchase and disposal of Stores. (3) Production and distribution of salt. (4) Production and distribution of coal. (5) Government industrial undertakings transferred from the existing Industry and Supply Ministry, except Hindustan Aircraft Ltd.

National Resources and Scientific Research.- (1) The subjects at present dealt with in the Department of Scientific Research. (2) Mines. (3) Geological Survey. (4) Power (including Central Electricity Board). (5) Irrigation (including Central Water, Power, Irrigation and Navigation Board).

Insurance and Company Law are allotted to the Ministry of Finance (Department of Economic Affairs) and the Hindustan Aircraft Ltd., to the Ministry of Defence.

This reconstitution will take effect from such date as may be appointed in this behalf by the Prime Minister, who has given instructions that preparations should begin immediately for the constitution of these Ministries in accordance with the President's order. Effect will be given to the order progressively, and the re-allotment of subjects to the various Ministries concerned will be completed by February 1, 1951.

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Ninth Session of the Labour Ministers'
Conference to meet in January: Agenda.

The ninth session of the Labour Ministers' Conference will be held at Patna on 19 and 20 January 1951. The conference will discuss, among other matters, a training scheme for merchant navy ratings, labour welfare activities, provident fund in industrial undertakings and working of the Works Committees. It will also discuss ways and means of enforcing the Factories Act, and some measures to control retrenchment in industrial undertakings.

(The Hindustan Times, 22-12-1950).

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

INDIA - DECEMBER 1950.

21. International Governmental Organisations.

Conference of Experts on Physically Handicapped
Children, Jamshedpur, 19-21 December, 1950.

A conference of experts on physically handicapped children in the Far East was held in Jamshedpur from 19 to 21 December 1950. The conference was held in co-operation with the U.N.E.S.C.O., W.H.O., and the I.L.O.

The inaugural address of Rajkumari Amritkaur, Health Minister, Government of India, who could not attend the conference, was read by Dr. K.C.K.E. Raja, Director-General of Health Services, Government of India. Rajkumari Amrit Kaur, in her address, said that the problem of the handicapped was of significance not only to the afflicted but also to the community as a whole in view of the economic loss and social misery that the presence of these unfortunates helped to create. She emphasised that the part the social workers had to play in the rehabilitation of the handicapped was of great importance and hoped that the question of organisation of appropriate social service as an integral part of the campaign for the betterment of the lot of the handicapped would receive the attention of the conference.

During the sittings of the conference Dr. R.M. Halder, Indian delegate, read a paper on the physically handicapped children in India. Explaining the programme of the Government of India, Dr. Halder said they had three major immediate objectives: development of a common Braille code, establishment of Braille press, and establishment of a national centre for training personnel. He suggested that three model centres for the deaf, blind and crippled respectively should be started in the South-East Asian region and advocated compulsory education for the blind.

Mrs. Fatima Ismail of the Society for Rehabilitation of Crippled Children, Bombay, presented a paper on the Philippines prepared by Dr. J.V. Delos Santos.
education of crippled children

Mr. R.L. Tiruchalvam spoke on the care of the deaf and blind children in Ceylon.

Dr. Alpai Ala (~~blind~~) Government of India's expert, said that blindness did not affect the mental capacity. Any scheme of education for blind children should strive to produce an integrated personality.

The paper on the school for the blind and its place in blind welfare work submitted by Sir Clutha Mackenzie was read by Dr. Halder in his absence.

Prof. N.N. Sen Gupta (~~blind~~) ^{proposed} suggested the adoption of the basic education scheme as suggested by Mahatma Gandhi for the education of blind children.

Dr. Vergara read a paper on the special problem of blindness and deafness submitted by Dr. Harold Blame of the U.N.

Dr. Kai-loo-Huang, ILO representative, read a paper on vocational guidance, training and eventful placement of the physically handicapped child.

Decisions. The conference recommended (1) establishment of national organizations for collecting information on the number and distribution of physical-ly handicapped children and the facilities already available for their treatment, (2) establishment of services for early discovery, diagnosis and treatment of physical handicaps, (3) provision of food and extension of child welfare services to reduce the number of cases of physical handicaps caused by mal-nutrition, infectious diseases, ignorance of element-ary hygiene and industrial accidents, (4) fuller use of modern safety devices in all industries, (5) provision of opening to disabled/able-bodied of all available vocational training facilities, (6) introduction into public employment services of specialized methods and techniques for employment of handicapped children. (7) wider use of radio, the newspapers, travelling exhibitions and demonstration projects to inform the public of modern methods of prevention and treatment of physical handicaps and to acquaint ~~employers~~ employers about the various occupations which can be successfully filled by disabled persons after suitable training.

children, who can be trained with the

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CHAPTER 3. PROFESSIONAL ORGANISATIONS.

INDIA - DECEMBER 1950.

31. Workers' Trade Union Movements.

Changes in Trade Unions Bill, 1950.
Select Committee's Report.

On 1 December 1950, Dr. B.R. Ambedkar, Law Minister, presented to Parliament the Select Committee's report on the Trade Unions Bill 1950 (vide page 10 of the report of this Office for April 1950).

The report proposes that in case of trade unions which are connected with a large number of undertakings, having a large membership spread over a wide area, the restriction in respect of "outsiders" holding office should be relaxed. The committee has accordingly proposed a provision empowering the Government to prescribe by regulations, the admission of outsiders as officers of a trade union. It suggests changes relating to strikes, penalty for unfair practices by employers, and dismissal of employees.

The definition of "strike" has been modified so as to include within its scope any strike which is declared to help employees of another establishment to "put pressure on their employer".

The committee considers that domestic servants should not be excluded from the category of employees. The definition of "employee" has been modified accordingly.

In a minute of dissent Prof. K.T. Shah says that "there are several items in the Bill which read with other clauses of the Labour Relations Bill would in effect deny the right of association to civil servants". This is contrary to the principles enunciated in the Constitution, he adds. "The declaration", he says, "of human rights as internationally accepted includes the right of association as among elementary human rights. Trade unionism is permitted and recognized in many advanced industrialized democratic countries in branches of the civil service such as security services ^{and} of the police. There is, therefore, no reason or principle or precedent why we should deny this obvious constitutional right to this class of our citizens engaged in public service.

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"The power given to the 'appropriate government' to vary or modify the definition of a "civil servant" is calculated to introduce or intensify party spirit in public service or encourage invidious and undesirable favouritism by the powers that be". "The attempt rigorously to keep apart politics and economics is an anachronism impossible to sustain in a free ~~sovereign~~ sovereign country".

(The Hindustan Times, 2-12-1950).

33. Employers' Professional Organisations.

India - December 1950.

Annual General Meeting of the Associated Chambers of Commerce, Calcutta, 12 December 1950: Finance Minister reviews Economic Situation: Signs of Stability Discernible.

Addressing the annual general meeting of the Associated Chambers of Commerce at Calcutta on 12 December 1950, Mr. C.D. Deshmukh, Finance Minister, Government of India, stated that surveying the Indian economic scene, he was heartened by the signs of stability he could discern through the welter of immediate difficulties. These, especially in the matter of food, were serious, but with careful management they should not be insurmountable if the people faced the situation with cool heads and stout hearts. Referring to the attitude of labour, Mr. Deshmukh said that there was increasing understanding between Government and Industry, and with forbearance on both sides there was no reason why Industry and Labour should not settle down to harmonious relations. The Government had a lively realisation of the importance of maintaining law and order and of creating economic conditions conducive to increased production of wealth. On the question of incentives to trade, he said that there had been a progressive reduction in the rates of income and super-tax at all levels of income and it was to be hoped that industry

would take full advantage of this favourable tax situation. Agreeing that no improvement in Indo-Pakistan trade could be hoped for until a suitable exchange rate was fixed, he said that there was no lack of efforts on the part of the ~~Government~~ Government of India to reach a solution. All that they desired was that the par value of the Pakistani rupee should be fixed as a result of an objective study free from all political considerations.

Sir Paul Benthall's presidential address:
anxiety over the future of jute industry.- Sir Paul Benthall in his presidential address said the year that had passed since their last meeting began with high hopes but had ended, after various anxieties and natural calamities, with some degree of frustration. He stated that economic problems had been subordinated to political considerations, with the result that little or no progress had been made in the economic field and all ambitions for an expansion of industry and commerce had not been fulfilled.

Sir Paul expressed anxiety over the position of cotton and jute industry. Cotton, the greatest industry in India had been hard hit. Jute industry, the life-blood of both West and East Bengal was threatened by foreign substitutes as a result of India's inability to supply her customers with enough goods, at a time when raw material existed in ~~the~~ plenty and when owing to the war in the Far East the goods were most badly needed.

Labour relations.- Sir Paul criticized the functioning of the labour tribunals which had often shown "generosity" to the workers. He ~~stated~~ said: "We feel that benefits are now being awarded to industrial workers more generously than the nation as a whole can bear and we cannot forget that a country whose citizens consume more than they produce is heading for a disaster". He regretted the remarkable deterioration in the productive power of the Indian worker and made a particular reference to the indiscipline among factory workers.

Finance Minister's address.- Mr. C.D. Deshmukh, in the course of his address, referred to the grave international situation and stated that the prevailing unsettled conditions, while making the solution of India's economic problems even more difficult, lent a sense of urgency to her endeavours in that direction and underlined the necessity of a closer

understanding and collaboration between the Government and the public.

Measures to check rise in prices.— Outlining some of the measures the Government has taken to check the rise in prices caused by these factors, he stated that following the devaluation of the rupee, there were price cuts in essential commodities ~~that~~ like cereals, cotton yarn, cloth, pig iron and steel. A reduction of 3 to 15 per cent was made in the issue price of food partly through a cut in transport and distributional charges and partly through a reduction in procurement prices. As a result of these price reductions, the general price index fell to 381.3 in December last year, representing a reduction of about 3 per cent from the October 1949 level. It did not, however, prove possible entirely to check the upward pressure on prices generated by devaluation and by June, 1950, most of the gain had been lost, the price index rising to 395.6 by that time. After the commencement of hostilities in Korea, the general index rose sharply to 405.2 in July, 1950, and the rise continued, the high-watermark being reached in the first week of October when the index stood at 413.5. Since then, after some slight fluctuations, it has fallen to 411.3 for the week ending November 25, 1950. Comparative figures available for October 1950, show an increase in price level of about 4 per cent as against the pre-Korean war level. This, however, represented a slower rate of increase than in the United Kingdom and the United States of America where since the outbreak of the Korean war the corresponding rise in price level was 7 per cent and 8 per cent respectively. He quoted these figures not out of any sense of complacency but in order to bring out the point that the recent rise in the price index in India can be attributed largely to factors which affect many other countries as well. As a matter of fact, the Government of India was not tardy in taking measures to check this rise in so far as it lay in its power to do so.

Soon after the outbreak of the Korean war, Government passed the Essential Supplies (Temporary Powers) Amendment Act, prescribing drastic penalties for hoarding foodgrains. The Centre assumed powers to make laws for a period of one year in respect of two subjects in the States' Lists, viz., Trade and Commerce, and Production, Supply and Distribution of Goods. In September 1950, the Supply Prices of Goods Ordinance was passed. Very recently, a Prices Advisory Board, consisting of representatives of various interests, had been formed to advise Government ~~on price policy~~ on price policy and on the best means of executing such policy. ~~ARRR~~ Imports have been liberalized and a new Open General Licence was issued. Arrangements were also being made to avoid

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competitive purchase of cotton in order to keep down the prices within the ceiling fixed. It was the intention to introduce monopoly procurement of food in all States in order to secure supplies to the maximum possible extent for the rationed areas; but the sudden worsening of the food situation in several States as a result of the severe drought in October had introduced serious complications with which the country was wrestling at the moment.

Refuting Sir Paul Benthall's statement, that economic problems have been subordinated to political considerations, he stated that the steps taken by the Government during the last year to hold down the price level, would clearly show that Government had not allowed politics to interfere with its economic policy, especially in regard to food procurement prices. Neither could it be said that the taxation policy of Government had been influenced by political motives. In determining its policies, psychological conditions had naturally to be taken into account, and if that were to be dubbed as politics, there was no Governmental action in the economic sphere which could be considered to be free from politics.

Indo-Pakistan trade.— Dealing with the continued difficulties of Indo-Pakistan trade, which began with Pakistan's decision not to devalue her currency, the Finance Minister agreed that no improvement in the present situation could be hoped for until a suitable exchange rate was fixed, and stated that the absence of a settlement was due to no lack of effort on India's part. The most appropriate way in which the settlement of this issue could be brought about was by an objective scrutiny of the par value of Pakistan currency by the International Monetary Fund which had the necessary experience and authority. That was why, when Pakistan applied to be a member of the Fund, India was one of the first to support that application. While Pakistan was duly elected as a member of the Fund in January last, she signed the Articles of Agreement of the Fund only in the middle of July when her membership became effective. The par value of a member's currency was determined normally within a period of about two or three months from the date of its membership. At one time, the Government of India had hoped that the question would be taken up by the Fund authorities in the month of September, but owing to the preoccupation of the Fund staff with other matters, the discussion had to be delayed to give more time to the Fund's technical staff to complete their study of this question. He had hoped that this study would be completed last month. Recent information, however, went to show that this discussion was likely to be postponed for a further period.

Mr. Deshmukh stated that all that the Government of India desired was that the par value of the Pakistan rupee should be fixed as a result of an objective study free from all political predilections. Even with the difficulties created by the exchange questions, India was able last year to have a trade agreement with Pakistan, although it was necessarily limited in scope, and its implementation by both sides was satisfactory. He stated that it should not be impossible to arrive at some arrangement on similar lines to maintain the trade relations between the two countries pending the decision of the International Monetary Fund.

Position of jute.- Referring to the apprehensions in regard to the jute industry, the Finance Minister stated that the Government was fully conscious of the importance of avoiding any hastily-conceived measures which might affect adversely the long-term interests of the industry. It could not ~~however~~ however, look with indifference on any section of the public concerned, however, small they may be, indulging in practices which were ~~detrimental~~ detrimental to the interests of the country. It would welcome the co-operation of the industry in putting down these activities, and the latest decision to raise the export duty on hessian was prompted by the expectation that with the considerable resultant curb on the scope for dubious practices, it would be possible for the industry to exercise more effective control over their members and their associates ~~in~~ ~~the~~ ~~industry~~ and that Government would not be driven to have recourse to more drastic alternatives. One such was State trading. The Government were fully aware of the complexities of this expedient and its manifold social and economic implications. He assured ~~that~~ them that no action would be taken without full consideration of all aspects of the question.

Central budget and economy measures.- Dealing with the finances of the Central Government, Mr. Deshmukh stated that it was true that there had been deficits in the capital budget since 1946-47 to the tune of about 5,000 million rupees, but there had been deficits in the country's balance of payments also which had reduced the external assets of the Reserve Bank of India by 8,000 million rupees, which was higher than the deficit in the Central Government's budget. It would therefore be wrong to attribute an inflationary effect to the deficits of the Central Government. This was further corroborated by the fact that there had been no rise in the figure of notes in circulation in the country. He recognized that if the deficit financing could have been avoided altogether, the effects of the adverse balance of payments position during the last few years would have been positively dis-inflationary. The alternative

to this deficit financing of the budget would have however been discontinuance of the rehabilitation of railways and the few important works which were being undertaken at the public sector. Further, a substantial part of the budget deficit was due to the settlement with the United Kingdom for stores and equipment badly needed for the Defence services and the pensionary liabilities of the Government of India.

As regards the suggestions about reduction in Government's revenue expenditure, the Finance Minister said they had been engaged on a scrutiny of expenditure in order to find out possible avenues of economy. The budget sectors available to such economy were not, however, large; new needs had cropped up which had more than neutralized such economies as might be possible. He agreed that the raising of sufficient resources for their development programme was as important as economy in expenditure.

Development plans.- Mr. Deshmukh said that the constitution of the Planning Commission in this country had proved timely, not only for co-ordinating India's development plans but also in the larger context of the move initiated by the Commonwealth countries for the economic development of South and South-East Asia countries. The Co-operative Economic Development Plan which had been evolved at the conference recently held in London included as an integral feature, a Commonwealth technical assistance programme first outlined at the previous conference of Commonwealth Ministers at Sydney under which India will receive as well as render technical assistance. In addition to this, India was likely to receive technical aid under President Truman's Point Four programme, and negotiations between India and the specialized agencies of the U.N., as well as for the bilateral aid direct by the U.S.A., were in progress.

Stock exchange position.- He stated the feeling that it was necessary that Stock Exchange quotations should improve before they could hope for any considerable investment in new flotations. He did not however agree that equity shares remained obstinately depressed. It had been a matter of considerable satisfaction to him that whereas the securities prices fell to the lowest level in July 1949, it had since staged a little come-back and that on an average, the level of security price today was 14 per cent higher than what it was. They could not, of course, expect to rescale the dizzy heights to which security prices rose in 1945. In fact, some of their present difficulties were mostly due to the unhealthy levels to which share prices were pushed up during those days. It was essential to restore genuine investment activities in the Stock market and one of the causes which kept the genuine investor away was the activities of the speculator.

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He also agreed as to the need for creating out of profits adequate reserves for financing trade and industry and hoped that the advice that the Chamber had given to the shareholders that they should be content with moderate dividends would be generally accepted.

Labour relations.- Speaking on employer-employee relations, the Finance Minister said he doubted if the Chamber's condemnation of the proposal to refer to tribunals questions relating to retrenchment as a result of rationalization and the grant of gratuity was justified. These questions had been discussed at several tripartite meetings between the Government, employers and labour. Though it had been agreed that tribunals should not go into the question of the desirability or necessity of any scheme of rationalization, standardization or improvement of plant or technique, the principle had been accepted that there should be a review by tribunals of proposals for retrenchment consequent on rationalization and that retrenched personnel should be paid some gratuity. He considered that this principle was unexceptionable as otherwise any attempt at rationalization, however justified, would itself become a matter of dispute on the allegations of victimization.

While the Labour Relations Bill sought to give power to industrial tribunals to determine the number of employees to be retrenched and the class of employees from which such retrenchment should be made, it did not take away the right of the employer to decide if rationalization was necessary ~~or~~ or desirable. In cases of retrenchment arising out of causes beyond the control of employers - other than rationalization - no prior reference to a tribunal was necessary. The worker could not raise a dispute subsequent to his retrenchment on account of such causes but only on the ground of victimization and no other.

Referring to the Chamber's criticism of awards of Labour Tribunals, Mr. Deshmukh observed that tribunals ~~where~~ gave awards after great deliberation and after hearing both sides. The presiding officers were drawn from the ranks of judicial officers, serving or retired, and it would not be fair to charge them as being partial towards workers. As regards the effects of the awards of labour tribunals, it was likely that they may have had some inflationary effect. But in a country with such a low living standard as that of Indian labour, the line where subsistence consumption ended and inflationary consumption expenditure began was very hard to draw. The country could not do without good labour relations, and to attain this objective they had been trying to achieve a workable nexus through

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the labour courts and tribunals. He also condemned indiscipline and unruly conduct on the part of labour.

Concluding, he stated that India today was at the crossroads of destiny, and he had no doubt that she would take the right road. Surveying the Indian economic scene, he was heartened by the signs of stability that he could discern through the welter of immediate difficulties. These, especially in the matter of food, were serious, admittedly, but with careful management they should not be insurmountable if the people faced the situation with cool heads and stout hearts. There was increasing understanding between Government and industry, and with forbearance on both sides there was no reason why industry and labour should not settle down to harmonious relations. The Government had a lively realization of the importance of maintaining law and order and of creating economic conditions conducive to increased production of wealth. In a scarcity-weary community it was not always clear to one sector what its duty was to others; but it was for the leaders of public opinion in their various sectors to influence choice of action in the right direction.

Resolutions.- The meeting adopted nine resolutions on various subjects, including one urging a reduction in the level of taxation on income with the object of "stimulating enterprise and investment and thereby promoting the development and expansion of the country's economy". The Association by another resolution urged Government to introduce legislation to bring about further uniformity in the administration of the various State Sales Tax Acts particularly in respect of inter-state and foreign trade, commodities liable to tax and the rate thereof, and the burden of multiple incidence.

Labour Relations Bill.- In a resolution on the Labour Relations Bill, the meeting deprecated any changes which would weaken "the salutary safeguard of the employer's right to discharge for good cause shown or to terminate the service of an employee surplus to requirements, particularly in cases in which retrenchment arose in consequence of schemes of rationalisation".

Industrial Tribunals.- By another resolution, the Association drew Government's attention to "the adverse effect on the financial and industrial structure of the country arising from recent awards of Industrial Tribunals which will entail further increases in production costs thereby affecting the cost of living, will considerably undermine discipline and the essential right of management to control the undertakings for which they are responsible, and will

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inevitably lead to dissipation of the reserves of the concerns affected, thereby further weakening confidence in the investment market".

Export duties.- The Association deplored the recent increase in the range of commodities subjected to export duties and recommended to Government that its policy in this regard should be, that such duties should be imposed only for the specific purpose of countering any undue rise in the internal prices of the commodities concerned, and that they should be operative only for limited periods and should in no circumstances become an established part of the fiscal structure of the country.

By other resolutions, the meeting (a) demanded stricter enforcement of textile control and (b) development of transport of all forms in the country.

(Amrita Bazar Patrika, 12-12-1950;
The Hindustan Times, 1-12-1950).

Annual General Meeting of the Employers' Federation of India, Bombay, 19-12-1950:
Mr. V. Chandavarkar's Presidential Address.

The eighteenth annual general meeting of the Employers' Federation of India was held at Bombay on 19 December 1950, Mr. Vithal Chandavarkar, President of the Federation, presiding.

President's address: hasty labour legislation criticised.- Mr. V. Chandavarkar, in the course of his presidential address, said that the economic development of the country could not be encouraged by unrealistic glorification of monopolistic State-owned undertakings by responsible persons. He referred to the subject of nationalisation, "which used to be the cry of the market-place for solving all economic ills" and said that it was gratifying to note that Government undertakings were to be run on the pattern of private enterprise.

Labour relations.- He deprecated loose talk about ~~XXXXXXXXXX~~ industrial democracy. Confidence between labour and management, he said, could be attained not through legislation but by mutual efforts. It was ~~quite~~ futile for either party to use coercion. It was absurd he said to envisage any development in the sphere of joint consultation if the idea was to introduce workers' control

over undertakings. He dealt at length on the various labour enactments and advocated a policy of go-slow and caution. Labour legislation in the country he said had always been a hardy annual. Employers had tried their best to impress upon Government the inequitable nature and the dangerous potentialities of some of the provisions but there were no indications that Government had appreciated their point of view. With the disappearance of functional representation, he said, organisational ~~re~~ strength and public opinion alone could be effective in that respect. Mr. Chandavarkar assured Government that while employers would offer constructive criticism and fight for their cause, they would spare no effort to see that they conformed to the letter and spirit of every enactment placed on the statute book.

He drew pointed attention to the "most obnoxious feature" of the Labour Relations Bill that provided for the taking over of undertakings under certain circumstances and expressed the view that such Bills should not contain provisions of an extraordinary nature.

Adjudication of disputes.- With regard to conciliation and arbitration, Mr. Chandavarkar observed that compulsory arbitration, had killed all incentive to the natural process of collective bargaining and thereby had proved to be a deterrent to the growth of strong trade unions in the country. Rights and responsibilities of both capital and labour must be adjudged in the interest of the State and the public, he added.

Referring to the wage problem, he stated that the general belief that our labour was cheap was ~~in~~ ~~the~~ ~~national~~ ~~income~~ incorrect, when viewed in correlation to the national income. Industries, he added, were therefore confronted with an immediate problem of rationalisation, which was being thoughtlessly *opposed by labour leaders.*

Office-bearers.- Mr. Chandavarkar was re-elected President for the year 1951 and Mr. Robert Menzies and Mr. C.S.R. Mudaliar, Deputy Presidents.

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CHAPTER 4. ECONOMIC QUESTIONS.

INDIA - DECEMBER 1950.

41. Industrial and Mining Production.

Progress of Cotton Textile Industry in
India and Pakistan in 1948-1949: Annual
Statement of Millowners' Association,
Bombay.

The following statistical information relating to the progress of the cotton textile industry in India and Pakistan in 1948-1949 is taken from the annual statement issued by the Millowners' Association, Bombay:-

Number of Mills.- The total number of cotton textile mills in India and Pakistan on 31 August 1949 was 430 (excluding 28 mills in course of erection or recently registered) as against 422 on 31 August 1948. The number of mills in Bombay City and Island and Ahmedabad remained stationary at 65 and 74 respectively during the period under review. The number of mills in the rest of Bombay Province remained stationary at 70. The total number of mills in the Province was 209. The number of mills in the rest of India was as follows: Rajputana 10, Berar ~~4~~ 4, Central Provinces 7, Bihar and Orissa 2, Hyderabad 6, Central India 17, West Bengal 29, Punjab(1) 4, Delhi Province 7, Uttar Pradesh 29, Madras Province 73, Cochin and Travancore 7, Mysore 9, and Pondicherry (French India) 3. The total number of mills in Pakistan was 14, which consisted of 1 in Sind, 9 in East Bengal and 4 in Punjab.

Eight mills remained idle during the year, of which 1 each were in the Province of Delhi and Madras and 2 each in Ahmedabad, the rest of Bombay Province and Uttar Pradesh.

Number of Spindles and looms.- There were 10,703,461 spindles and 202,408 looms in India and Pakistan on 31-8-1949 as against 10,433,065 spindles and 202,072 looms on 21-8-1948.

The number of spindles in Bombay Island increased by 37,988 to 2,904,138 while the number of looms decreased by 642 to 65,238.

The number of spindles and looms in ~~six~~ the different States of India and Pakistan during 1948-49 and 1947-48 was as follows:-

Province or State.	Number of Spindles		Number of Looms.	
	1948-49	1947-48	1948-49	1947-48
Bombay-----	6,083,416	6,007,360	134,321	135,203
Rajputana--	132,868	132,868	3,032	3,029
Berar-----	68,448	68,448	1,489	1,474
Central Province#	297,584	297,584	5,384	5,378
Bihar and Orissa--	27,832	25,700	745	745
Hyderabad--	119,292	118,420	2,472	2,462
Central India-	407,706	397,480	10,949	10,922
West Bengal-	393,908	389,726	9,070	8,909
East Punjab-	39,864	38,264	824	780
Delhi Province-	147,604	120,628	3,850	3,322
Uttar Pradesh-	793,010	775,860	12,451	12,102
Madras Provinc				
Province-	1,680,188	1,630,054	7,634	7,976
Cochin and Travancore	86,638	18,504 *	726	310 *
Mysore	172,249	161,752	2,880	2,877
Pondicherry (French India)	83,193	83,193	1,980	1,980
Pakistan--				
Sind--	2,216	2,216	60	60
East Bengal-	91,428	48,992	2,474	2,476
West Punjab-	76,008	76,016	2,067	2,067
Total-	169,652	167,224	4,601	4,603
Total in India and Pakistan.	10,703,451	10,433,065	202,408	202,072

* Figures for Travancore only.

Number of operatives.— The average number of operatives employed daily in day shift work was 473,683 as against 476,145 in 1948-49. Particulars of the number employed in night shifts are not available.

Cotton consumed.— The total consumption of raw cotton by the mills during the period was 15,423,842 cwts. as against 14,990,409 cwts. in 1948-49.

(The progress of the industry during 1947-48 was reviewed at pages 23-25 of the report of this Office for February 1949).

(Summarised from the Statement relating to the Progress of Cotton Textile Industry in Indian Dominion and Pakistan in 1948-49, issued by the Millowners' Association, Bombay).

42. Production and Export of Agricultural Products.

India - December 1950.

Conference of Food Ministers, Bombay, 11-13 December 1950: Decision to continue Food Controls: Import Target for 1951 fixed.

A conference of Food Ministers was held in Bombay from 11 to 13 December 1950; Mr. K.M. Munshi, Minister for Food and Agriculture, Government of India, presided. The meeting, which was attended by representatives of all Part A, B and C States, unanimously agreed that distribution arrangements in States should continue to be controlled and directed "with suitable adjustments", and austerity measures "stiffened". The Conference, which endorsed the agreed conclusions reached by a sub-committee, was of the opinion that any theoretical consideration of control or decontrol "is out of question in the context of the present situation".

Food self-sufficiency plan: Mr. Munshi's opening remarks. In the course of his opening address, Mr. Munshi gave the assurance that there would be sufficient imports of food grains next year. This decision had been taken, to meet the difficult food position that was likely to develop next year because of the successive calamities that had overtaken the country since Junelast. Not only had the kharif crop been seriously affected by drought, but even the next rabi crop had been endangered in some areas. This would result not only in lower procurement but also smaller surpluses. They had also to consider the deteriorating international situation, which might make it ~~diff~~ difficult for them to secure adequate imports ~~of~~ the necessary shipping.

The Food Minister reiterated that the Government's self-sufficiency plan envisaged a complete stoppage of food grain imports only after March 1952, except for (1) building a reserve; (2) meeting an ~~unusual~~ unusual calamity; and (3) to meet a deficit resulting from a diversion of acreage from food grains to cotton and jute. There was no question of restricting imports next year under the self-sufficiency pledge because the deficit in this year was very large, he said.

Referring to the recent controversy about food control and decontrol, Mr. Munshi ~~xxx~~ stated that India could not give up her controlled economy in food grains at present but this was different from

maintaining that there should be complete uniformity throughout the country. In his view the main pillars of the controlled food economy today were the maintenance of a reasonable price level and the Government's control of distribution arrangements with a view to preventing suffering to the middle class and certain vulnerable sections of the people.

Mr. Munshi thanked the surplus States of Madhyabharat, the Punjab, P.E.P.S.U., Madhya Pradesh and Orissa for their magnificent assistance to deficit States during the year. On account of the drought in the "rice bowl" of India, the availability of rice next year would be negligible. The Food Minister, therefore, appealed to the north Indian States for a "gesture" to reduce their rice consumption to the absolute minimum and divert all their rice supplies to the rice-eating States. ~~The Food Minister~~ called upon the States to co-operate "in meeting the challenge of scarcity during the coming year" and combine into a "syndicate for feeding the whole country".

Decisions: Controls to continue. - The conference unanimously adopted ~~the~~ resolution adumbrating the following food plan for the next year placed before it by a sub-committee of the conference:

~~The six points~~

(1) As a result of natural calamities in all except four States, the food position in the country has been very grave. Apart from internal difficulties, the international situation has been growing difficult. It is affecting both availabilities and shipping. It is, therefore, imperative to take all possible steps in accordance with a unified policy and direction to meet the critical situation during the year 1951.

(2) The misunderstanding in the country as regards the self-sufficiency pledge should be cleared. According to it, foreign imports have to be stopped by March 31, 1952, except for (a) Building up reserve; (b) Making good diversion to other crops in national interests; and (c) Meeting the deficiency arising from natural calamities.

It is implied in the pledge that the deficit areas have to be helped by the country as a whole thereafter. But so far as the coming year is concerned, the pledge does not interfere with securing sufficient imports. The target of imports for 1951 is fixed at 3.7 million. At the same time, international situation might create unexpected difficulties, for which the country must be ready.

(3) Any theoretical consideration of control or decontrol is out of question in the context of the present situation. The controlled economy in the

matter of food grains must continue. The price level has to be maintained in so far as it may be practicable. Distribution arrangements must continue to be controlled and directed with suitable adjustments. Austerity measures must be stiffened.

(4) As regards the nature of control and the manner in which it should be enforced, each State should, in consultation with the Centre, maintain the arrangements which best serve the purpose of meeting the situation in the State in the coming year.

(5) The grow more food drive and controls are part of an integrated system, and every step should be taken by the States to see that inter-dependent activities are controlled by a uniform and effective policy and that till the next kharif season, efforts should be made to grow short-term supplementary food in the areas wherever it is possible.

(6) The situation, though critical, is under control and the Centre and the States are mobilising all available resources to see that the country is enabled to face it with as little hardship as possible. At the same time the public will appreciate that under no circumstances should they give way to panic, which only aggravates the situation without providing any remedy. Effort therefore should be concentrated on publicising measures adopted and both public men and the Press should co-operate with Governments in sustaining the morale of the people. At such time, it is of the highest importance that all parties and interests should combine to support the Governments ~~in their~~ in their endeavour to meet the situation.

(The Hindustan Times, 12, 13 and 14-12-1950).

West Bengal: Central Board to control Jute Supply:
Ordinance issued.

The Government of the West Bengal promulgated on 14 December 1950 the Raw Jute (Central Jute Board and Miscellaneous Provisions) Ordinance, 1950, banning the purchase or taking delivery by any mill of raw jute direct from any seller, dealer or baler except through the intervention of the Central Jute Board constituted under the ordinance.

Explaining the reason for taking this step, a West Bengal Government Press note stated that though the production of raw jute in India during the current year, had been large enough to meet the consumption requirements of the jute mills for several months this year, there had been allegations that numerous sales of raw jute were taking place at prices much

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above the maximum fixed by the Government under the West Bengal Jute (Control of Prices) Act, 1950. The Government, had therefore, promulgated the Ordinance in order to put a stop to such deals and to ensure a steady supply of raw jute to jute mills at controlled prices.

~~Further~~ A notification issued under this ordinance has given time to sellers up to and including 28 December 1950, to complete delivery in respect of their existing contracts with jute mills. Thereafter, the outstanding portions of all such contracts with jute mills will be void and in the future no mill will be allowed to purchase or take delivery of raw jute direct from any seller, dealer or baler except through the intervention of the Central Jute Board constituted ~~by the Central Jute Board~~ under the ordinance, the notification added.

The ordinance provides that all offers of sale of raw jute to jute mills will, in the first instance have to be made by everyone to the Central Jute Board. The Central Jute Board will issue an order on a seller to make contract with a particular mill indicated in the order at controlled prices. Any person contravening the order relating to the contract between a seller and a mill ~~through~~ through the Central Jute Board will be liable to be punished with six months' imprisonment or with fine or with both.

The Central Jute Board, created by the ordinance, has been constituted from among the representatives of the I.J.M.A., Calcutta Jute Balers' Association, Calcutta Jute Dealers' Association and Bengal Jute Dealers' ~~Association~~ Association, with Mr. I.G. Kennedy as chairman.

The ordinance also empowers the Government to prescribe minimum prices for raw jute and also for licensing all holders of raw jute.

(The Calcutta Gazette, Extraordinary,
dated 14 December 1950, pages
1523-1527;
The Hindustan Times, 15-12-1950).

44. Prices and Cost of Living.

India - December 1950.

Control over Prices of essential Goods:
Bill passed by Parliament.

The Indian Union Parliament passed on 18 December 1950, the Supply and Prices of Goods Bill, which seeks to replace the Ordinance issued in September 1950 (vide pages 23-24 of the report of this Office for September 1950) to control the prices of such goods as bicycles, bicycle parts and accessories, cycle tyres and tubes, electric bulbs, caustic soda, soda ash, tanning materials.

(The Hindustan Times, 19-12-1950).

45. Economic Development and Control.

India - December 1950.

Stepping up Production: Development Committees for Industries set up.

The Government of India has set up three high-powered committees, consisting of representatives of industry and labour, for stepping up industrial production in the country. The three committees are, a Development Committee on Industries, a Textile Development Committee and a Committee to assist in the working of the present cotton textile and cotton controls.

Development Committee on Industries.- The Development Committee on Industries, which has been set up in order to assist Government to secure full production from existing industries and to plan the development of industries, consists of the following members: Mr. J.R.D. Tata; Mr. G.D. Birla; Mr. Shri Ram; Mr. S.L. Kirloskar; Mr. Ambalal Sarabhai; Mr. A.J. Elkins; Mr. A. Ramaswami Mudaliar; Mr. Kasturbhai Lalbhai; Mr. S.N. Roy; Mr. Murarji J. Vaidya; and Mr. V. Seshasayee. The Minister for Industry and Supply will be the Chairman and Members of the Planning Commission would attend the Committee's meetings.

The functions of the Committee would be: (1) to review the working of industries and to suggest measures to secure (a) a full and efficient utilization of installed capacity including the fixation of targets where necessary, and (b) reduction of costs of production to reasonable level while providing conditions in which workers can put forth their best efforts; (2) to suggest measures for improving or increasing the productive capacity of industries; (3) to advise on special problems such as the treatment of uneconomic units; and (4) to advise generally on the future development of industries including planning and regionalization.

The Government of India also proposes to establish a similar committee consisting of representatives of organized labour. While the two committees will normally meet separately, they will meet together for dealing with problems of common interest.

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Textile Development Committee.— The Textile Development Committee will assist in the preparation of a plan for the cotton textile industry, and in devising measures for its effective implementation. The composition of the Committee is as follows: (a) Representatives of the Textile Industry Commission: Mr. G.D. Birla; Mr. Kasturbhai Lalbhai; Mr. Krishnaraj M.D. Thackersey; Mr. Shri Ram; Mr. B.W. Batchelor; Mr. J.C. Burns; and Mr. Chandulal Parikh. (b) Representatives of Labour Organisations: Mr. Khandubhai K. Desai; Mr. S.R. Vasavada; and Mr. Asoka Mehta. The Minister for Industry and Supply would be the Chairman and the Members of the Planning Commission would attend the meetings of the Committee.

The ~~RECOMMENDED~~ duties and functions of this Committee will be: (1) to recommend targets for the maximum output of cloth of suitable varieties, securing the best utilization of existing installed capacity and making up the deficiencies therein to such an extent as may be feasible, and for this purpose to advise on the supply of cotton, mill stores and equipment, and other raw materials, as well as the fixation of prices of finished goods; (2) to suggest ~~RECOMMENDED~~ norms of efficiency with a view to eliminating waste, obtaining right quality and optimum production, and reducing the costs to a reasonable level; (3) to recommend improvements in the working of the industry at all stages generally and in respect of individual units which fail to attain the efficiency norms laid down by the Committee; (4) to recommend means for improving the working of uneconomic units, keeping in production as many of them as necessary without unduly raising the prices of cloth; (5) to suggest a system of distribution capable of giving the maximum satisfaction to the consumer; and (6) to suggest arrangements for the supply of the needs of the handloom industry in respect of yarn to the utmost extent possible.

The Committee on textile control will consist of the following members: Mr. Morarji Desai (Home Minister, Bombay Government - Chairman), Mr. G.D. Birla, Mr. Kasturbhai Lalbhai, Mr. Krishnaraj M.D. Thackersey, Mr. Shri Ram, Mr. B.W. Batchelor, Mr. J.C. Burns, and Mr. Chandulal Parikh, as representatives of the textile industry, and Mr. Khandubhai K. Desai, Mr. S.R. Vasavada and Mr. Asoka Mehta as representatives of labour. Mr. T.P. Barat, Textile Commissioner, would be the Secretary.

(The Gazette of India, Part I-Section 1,
Extraordinary, dated 1 December 1950,
Pages 627(2)-627(5);
The Hindustan Times, 1-12-1950).

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Setting up of State Industrial Finance Corporations: Bill moved in Parliament.

The Finance Minister, Mr. C.D. Deshmukh, introduced in Parliament ~~last~~ on 13 December 1950 the State Financial Corporations Bill which seeks to enable State Governments to establish State Financial Corporations.

The Bill was introduced, it is explained, at the request of the State Governments who wished that Corporations on the lines of the Central Industrial Finance Corporation set up in 1948 under the Industrial Finance Corporation Act should be set up in the States also. The Central Industrial Finance Corporation was set up in order to provide medium and long-term credit to industrial undertakings which falls outside the normal activities of commercial banks.

The intention of the proposed Bill is that the States Corporations will confine their activities to financing medium and small-scale industries and will, as far as possible, consider only such cases as are outside the scope of the Industrial Finance Corporation.

The Bill provides for majority control of State Corporations by State Governments and guarantees repayment of principal and payment of a minimum rate of dividend on shares, to be prescribed in consultation with the Central Government. Restriction on distribution of profits has been placed and the State Corporations have been empowered to enforce their claims against borrowers and to recover their dues. The Corporations as a whole will supplement the work of the Industrial Finance Corporation.

The share capital of a State Corporation shall be fixed by the State Government concerned, but shall not exceed 20 million rupees. The issue of shares to the public will be limited to 25 per cent of the share capital and the rest will be held by the State Government, the Reserve Bank, Scheduled banks, insurance companies, investments trusts, co-operative banks and other financial institutions.

The Corporations will be authorised to issue bonds and debentures for amounts which, together with the contingent liabilities of the corporations shall not exceed five times the amount of the paid-up share capital and the reserve fund of the Corporations. The Corporations may accept deposits from the public repayable after not less than five years, subject to

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the maximum not exceeding the paid-up capital.

The Bill authorises a Corporation to make long-term loans to industrial concerns and to guarantee loans raised by industrial concerns which are repayable within a period not exceeding 25 years.

(The Hindu, 14-12-1950)

(Suburb)

Technical Assistance to India under Point-4 Programme: Agreement with U.S.A. concluded.

An agreement for provision of technical assistance to India under the U.S.A. Point-Four programme, was signed between the Governments of India and the U.S.A. at New Delhi on 28 December 1950. The agreement provides for the cooperation of the two Governments in the interchange of technical knowledge and skill and in related activities designed to contribute to that balanced and integrated development of the economic resources and productive capacities of India on which the Planning Commission is at work. It further provides for endeavours to be made for the co-ordination and integration of Technical Co-operation Programmes to be carried on in India. Such co-ordination and integration is being effected through the Economic Affairs Department of the Finance Ministry of the Government of India.

\$1.2 Million allocated to India. The essential purpose of the programme is to provide such elements of U.S. technical knowledge and experience as may be ~~xxx~~ available and useful in contributing to the general economic development of countries interested in receiving such assistance. Out of the appropriation of \$ 34.5 million made by the U.S. Congress for expenditure on an Expanded Programme of Technical Assistance, an amount of nearly \$11 million has been allocated for bilateral aid to all countries for the fiscal year ending 30 June 1951. The allocation for India from this amount has been provisionally fixed at \$1.2 million.

The technical assistance that is to be made available under this programme would normally be in the nature of experts for particular projects and for training facilities in the U.S.A. for similar purposes. Costs and would be shared in mutual consultation. Generally, the salaries and subsistence allowance of the experts would be met by the U.S. Government while the local costs which would include items like office space, land, secretariat service and internal

transportation would be met by the Government of India. Similarly, the cost of training to ~~xxx~~ be provided, including passages ex-India, would be met by the U.S. Government while the local costs which would include the internal cost of transportation up to embarkation point and salaries payable in India would be met by the Government of India. The cost of ancillary equipment incidental to the demonstration of technical skill would be met by the U.S. Government.

The Government of India has already obtained from the U.S. Government some experts for agricultural projects; one for the Central Tractor Organization, another an agronomist and plant breeder; and the third for extension service. The U.S. Government has also agreed to provide training facilities to two Government of India officers in agricultural extension methods. The list of requirements in respect of experts to be obtained and facilities for training have already been prepared and are likely to be sent to the U.S. Government shortly. These requests are directed towards obtaining such technical skills as is not available in India for projects of the Government of India already in execution and cover mainly development schemes of agriculture, multi-purpose projects, communications and education and health programmes.

Text of the Agreement. The following is the text of the agreement:

(1)

Article I: Assistance and Co-operation. The Government of the United States of America and the Government of India undertake to co-operate with each other in the interchange of technical knowledge and skill and in related activities designed to contribute to the balanced and integrated development of the economic resources and productive capacities of India. Particular technical co-operation programmes and projects will be carried out pursuant to the provisions of such separate written agreements or understandings as may later be reached by the duly designated representatives of India and the Technical Co-operation Administration of the United States of America, or by other persons, agencies, or organizations designated by the Governments.

(2) The Government of India through its duly designated representatives in co-operation with representatives of the Technical Co-operation Administration of the United States of America and representatives of appropriate international organizations will endeavour to co-ordinate and integrate all technical co-operation programmes being carried on in India.

(2) With respect to any funds, materials and equipment introduced into India by the Government of the United States of America pursuant to such programme and project agreements, the Government of the United States shall not be liable for ~~the~~ taxes, service charges, and investment or ~~foreign~~ deposit requirements, and will be ~~exempted~~ exempt from exchange restrictions.

(3) The Government of India agrees to bear a fair share, as may be mutually agreed upon, of the cost of technical assistance programmes and projects.

Article IV: Personnel.- (1) All employees of the Government of the United States of America assigned to duties in India in connection with co-operative technical assistance programmes and projects and accompanying members of their families shall be exempt from Indian income-taxes with respect to: (1) salaries and emoluments paid to them by the Government of the United States of America and (2) any non-Indian income upon which they are obligated to pay income or social security taxes to the Government of the United States of America.

(2) Such employees and members of their families shall receive exemption with respect to the payment of customs and import duties on personal, household and professional effects and supplies including one personal automobile on certificates being furnished, by such employees, to the Collector of Customs concerned, through the Technical Assistance Unit of the Finance Ministry of the Government of India, to the effect that these effects and supplies are for the personal use ~~or~~ consumption of such employees and members of their families. Duty is liable to be paid in respect of any such article imported without payment of duty and sold or disposed of within three years, but there shall be no liability if such articles are re-exported within the period.

Article V: Entry into Force, Amendment and Duration.- (1) This Agreement shall enter into force ~~the~~ on the day on which it is signed. It shall remain in ~~force~~ force until three months after either Government shall have given notice in writing to the other of intention to terminate the Agreement.

(2) If, during the life of this Agreement, either Government should consider that there should be an amendment thereof, it shall so notify the other Government in ~~writing~~ writing and the two Governments will thereupon consult with a view to agreeing upon the amendment.

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(3) Subsidiary project and other agreements and arrangements which may be concluded may remain in force beyond any termination of this Agreement, in accordance with such arrangements as the two Governments may make.

(4) This Agreement is complementary to and does not supersede existing agreements between the two Governments except in so far as other agreements are inconsistent herewith.

(The Hindustan Times, 29-12-1950).

West Bengal: Financial Assistance to Industries:
Enquiry Committee appointed.

The Government of West Bengal has appointed an Enquiry Committee, consisting of 9 members with Dr. N.N. Law as chairman and Mr. D.N. Ghosh, Director of Industries as secretary, to enquire into the whole question of financial facilities, long and short term, for small and medium-sized industries of West Bengal.

Terms of reference.— The terms of reference of the Committee are: (1) to investigate the extent, nature, and forms of financial assistance provided by the commercial banks and other bodies to the small and ~~medium-sized~~ medium-sized industries of West Bengal; (2) to examine in particular the part played by the smaller banks in Bengal in this respect, the adequacy and suitability of the facilities provided by them and the extent to which recent failures among these banks have affected the position of such industries; (3) to survey how far are the recent failures of West Bengal Banks attributable to their connection with small-scale business started with insufficient capital resources and without adequate planning or to other causes; (4) to ascertain what extent it will be legitimate or sound for commercial banks to supply short-term capital to small or medium-scale business and whether there should be an independent agency to exercise continuous supervision over such short-term financing furnished by commercial banks; (5) to examine how far the credit requirements of the small and medium-sized industries have been met by the State Aid to Industries Act in Bengal and the operations of the Bengal Industrial Credit Syndicate; (6) to consider the nature and extent of non-credit facilities now available to small and medium-sized industries, e.g., technical and commercial intelligence, and ~~ways~~ suggest ways and means whereby the same can be improved or extended so as to facilitate the provisions for

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credit facilities to such industries; (7) to consider the role that rural and urban co-operative banks have played in the past and could play in the future in providing credit facilities to small scale and medium-sized industries in the State; (8) to consider the desirability of establishing a State-sponsored Industrial Finance Corporation in West Bengal for providing long-term and medium-term financial facilities to the small and medium-scale industries in the State; and (9) to formulate a concrete scheme for such a Corporation if its establishment is considered to be desirable.

(The Calcutta Gazette, Part I, dated
16 November 1950, page 2273)

Development Plan for South East Asia:
Programme for Ceylon.

Reference was made at pages 14 to 21 of the report of this Office for November 1950 to the "Colombo Plan for Co-operative Economic Development in South and South-East Asia". The following details about the development programme of Ceylon is taken from the Times of Ceylon which publishes extracts from the document detailing the "Colombo Plan".

Development programme for Ceylon: main objectives.— The plan points out that the population of Ceylon is at present 7,300,000 and is increasing at the rate of some 200,000 every year. The economic position of the Island is dominated by the fact that two-thirds of the cultivated land is taken up with the production of three main crops - tea, rubber and coconut. Two-thirds of the population depend on this production or on allied manufacturing and distributive activities. This specialisation is at the expense of food production. Two-thirds of even the present restricted consumption of rice, which is the staple diet, has to be satisfied by imports - 400,000 tons out of a total of 587,000 tons consumed in 1949-50. Over half of Ceylon's annual expenditure on imports goes on food. Tea, rubber and coconut ~~account for~~ account for 90 per cent by value of the total exports of the Island, which is therefore dangerously dependent on the fluctuations of world prices over a very limited range of commodities. In the past these fluctuations have been great. This has had grave consequences for Ceylon. The high prices which have prevailed since the end of the war have made possible a general advance in the standard of living and the Government have been able to improve social services.

The main objective of the Government's programme is to bring about increased economic stability by reducing Ceylon's precarious dependence ~~for~~ upon factors outside its control. To achieve this aim, it is proposed to diversify the economy by some increase in food production and by the creation of other forms of employment. This will better enable the ~~maintaining~~ Government, over the long run, to maintain revenues and thus sustain the improved social services. Failure to do this would, in their view, involve grave social and political consequences.

The main features and cost of the programme are indicated in the following table:-

	Rs. Million.
Agriculture	503
Transport and Communications	
Railways 30)	
Roads 100)	297
Ports and Harbour 167)	
Power	109
Industry	75
Social capital	
Housing 47)	
Health 132)	375
Education 196)	
Total	1,359

Agriculture. - Two-thirds of the population at present live in the zone of heavy rain in the West of the Island, crowded into a little less than one-third of its area. Pressure on land in this west zone can best be relieved by migration to the more sparsely inhabited dry zone in the Eastern and North Central parts from which, as from the rest of the Island, malaria has been almost eliminated since the war. It is in this area that all the major projects for land development are being undertaken by the Government.

The total acreage at present cultivated is 3,250,000; it is estimated that another 3,250,000 acres are potentially available for cultivation. For the present purpose it is particularly significant to note that of the area now cultivated over 2,000,000 acres are devoted to the production of the three primary products, tea, rubber and coconut, leaving only about 1,000,000 acres for food production. By 1957 it is planned to have under food crops another 200,000 to 250,000 acres - an increase of about 20 per cent on the present food-producing areas, from which it is expected to get 75,000 tons of rice

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annually. This figure includes 131,000 acres covered by the Government's existing development plan, which is due to be completed in 1953.

In all these land development projects serious difficulties are involved in clearing the virgin jungle which at present dominates these areas. Work on the new land has already started, and the target of about a 20 per cent increase in the food-producing area by 1957 is considered to be realistic.

The largest of the projects, which is being carried out under the direction of United States engineering firms, involves the damming of the Gal Oya in the Eastern Province, from which it is hoped to irrigate 100,000 acres now under jungle, and to improve the irrigation of 30,000 acres already cultivated so that two crops a year may be harvested instead of one as at present. It is planned in this new area to provide 21,000 peasant holdings.

A similar project at Huruluwewa is to provide water for 10,000 acres of paddy land and 6,000 acres for garden crops.

The Gal Oya project will not be fully completed until 1962, and an even longer-term project - not to be begun until 1952 - is the damming of the Walawe Ganga, to irrigate 40,000 acres of new land, to ensure supplies of water to 13,000 acres of existing paddy land and to produce 10,000 kilowatts of electric power. A further 24,000 acres of garden land will also be developed.

Transport and communications - The main project under this head is the development of the Port of Colombo, which is now heavily congested. Plans are now complete and work is about to begin on the first stage of its development. The port will have alongside berths and equipment with all modern facilities for the rapid handling of cargo.

As a result of the proposed development the number of ships and the volume of tonnage to be handled through the port will be considerably increased. This will mean a quicker turn-round of ships which should result in lower working costs and be reflected in cheaper freight rates.

Power - The first stage of the only hydro-electric scheme in the country is now almost completed. This will provide an installed generating capacity of 25,000 kilowatts. It is now proposed to commence the two further stages of the scheme, each of which will have a capacity of 25,000 kilowatts.

A complementary project is the erection of 941 miles of transmission lines with 60 sub-stations. With the completion of the multi-purpose agricultural projects additional power will become available.

Industry.- Ceylon has little manufacturing industry, but projects are now being developed for the processing of local agricultural products and raw materials. Under the coconut oil project, which is one of the more important of those proposed, about 3,800 tons of low-grade oil will be available from the extraction of oil cake by the continuous solvent process.

It is expected to produce annually about 800 tons of glycerine, 4,800 tons of fatty acid, 50,000 tons of cattle food and 1,000 tons of lauryl alcohol. Agricultural improvements will call for greatly increased quantities of fertilisers, and there is a fertiliser project designed to produce 80,000 tons of ammonium sulphate and 35,000 tons to 45,000 tons of super-phosphate.

Other projects include the manufacture of caustic soda from locally produced salt, the exploitation of the large deposits of ilmenite and the refining of locally produced sugarcane. In addition, certain of the factories set up under wartime conditions for the manufacture of plywood, glass, ceramics and coir, and for steel rolling, are to be reorganised on sound economic lines.

Social capital.- The part of the programme allotted to social investment is devoted largely to schools and hospitals, and in a lesser degree to housing. In Ceylon there is free education up to and including the University, and nearly 70 per cent of the population is literate. Much of the improvement in educational facilities has been achieved during the last five years by a considerable expansion, often on an improvised basis. One of the main problems now is the rebuilding and replacement of unsuitable buildings.

As part of the general improvement of medical services it is proposed, under the plan, to double the present hospital capacity of 2.7 beds per 1,000; even then capacity will be far behind the standard generally accepted in Western countries of 15 per 1,000. It is expected that the Government's own housing plans will be supplemented considerably by private enterprise, which will be assisted by a Government Housing Loans Board set up to provide finance for private housing schemes.

Private investment.- In formulating its programme the Government has concentrated in the agricultural field on the production of food. It has not been considered necessary to make specific financial provision in the programme for improvements in the cultivation of tea, rubber and coconut.

The production of these three commodities is carried on by private enterprise; the tea plantations

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are mainly owned by United Kingdom companies, but 60 per cent of the rubber and nearly all the coconut lands are owned by Ceylonese. It is the Government's policy to encourage and assist improved production of these three commodities.

There are two state-sponsored credit institutions which give long-term loans for agricultural development, and private enterprise makes full use of these facilities. The Government is taking the initiative in establishing certain new industries, but this does not exclude private enterprise in this field. It is part of the Government's policy to welcome foreign capital.

The successful implementation of the programme will depend primarily on adequate external finance, but also on the availability of technical experts. In many of the projects the initial period of "running-in" will be left to foreign contractors, whose expert ~~wise~~ ^{advice} and managerial skill will be available on mutually agreed terms until the projects are well established and local personnel have been trained. Most of the demands for ordinary technicians and skilled labour can be met locally.

Finance. The programme is estimated to cost 1,359 million rupees. Of this, government loans and planned budgetary surpluses are expected to provide about 810 million rupees over the period. The balance, 550 million rupees is the external finance needed to carry out the programme. Of this, some 520 million rupees represents the cost of actual developmental imports; the remainder would allow a slight increase in the volume and range of imports and ease the task of the Government in raising internal finance.

Part of the internal finance for the programme will be raised from loans which are expected to total 450 million rupees, and annual average of 75 million rupees. This would compare with domestic borrowings of 46 million rupees in 1948-49 and of 30 million rupees in 1949-50. It is the view of the Ceylon Government that, having regard to the dependence of the economy on ~~the~~ world market prices, it would be unrealistic to count on any higher level of borrowing during the development period.

The balance of about 360 million rupees will be provided by budget surpluses which, at the current rates of taxation, would provide funds at an average annual rate of 60 million rupees, if the present level of prices for export commodities were maintained.

The annual revenue of Ceylon is now running at the rate of about 650 million rupees. Direct taxation accounts for over 20 per cent of this, and indirect taxation for about 60 per cent. Of the latter by far

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the greatest part is export duty, the yield from which depends upon prevailing prices. The revenue from income tax also varies with the incomes derived from exports of the three main products. The rate of income tax has been raised since the war and the incidence of export duties is heavy. It has been estimated that taxation already amounts to over 20 per cent of the national income and the Government considers that ~~it~~ cannot base their programme on any assumption of an increased yield, beyond that already taken into account in the expected contribution from budgetary surpluses.

The internal expenditure of 840 million rupees involved in the programme should have no serious inflationary effect, and the external finance needed to implement the programme will largely be required to meet the balance of payments deficit arising from the increased level of development imports. The development expenditure to be financed from internal sources will average about 135 million rupees annually. This compares with an average expenditure over the years 1947-48 to 1950-51 of 116 million rupees, which is being incurred on the Government's current programme due to be completed in 1953. The difference between the average expenditure of 116 million rupees and 135 million rupees is the measure of the additional effort which Ceylon is itself ready to expend on the 1951-57 programme.

Administration.— The Ministry responsible for the particular services will carry out the individual plans. The co-ordination of development and the determination of priorities will be done at Ministerial level in the Cabinet.

The Ministry of Finance is consulted at an early stage in the preparation of plans, and the actual work is executed under the normal financial control of the Government.

(The Times of Ceylon, 29-11-1950).

46. Wages.

India - December 1950.

R

Ajmer: Minimum Wages Rules, 1950.

The draft State of Ajmer Minimum Wages Rules, 1950 (vide page 30 of the report of this Office for June 1950) has now been approved and gazetted on 2 December 1950.

(The Gazette of India, Part II-Section 3, dated 2 December 1950, pages 741-747).

R

U.P.: Increase in Wages of Sugar Factory Workers announced.

By an order published on 9 December 1950, the Government of the Uttar Pradesh has announced an increase in the wages of workmen employed in vacuumpan sugar factories. The increase is based on the recommendations made by the Sugar Factories Labour (Wages) Inquiry Committee, U.P. and Bihar, in 1947, which were based on the wages prevailing during the crushing season 1945-46.

The increases are the following:-

Wage levels of 1945-46 Increase to be given (per month)

22 rupees 8 annas	32 rupees 8 annas
23 to 30 rupees	An increase of 32 rupees 8 annas
31 to 40 rupees	An increase of 28 rupees 14 annas
41 to 50 rupees	An increase of 26 rupees 8 annas
51 to 100 rupees	An increase of 24 rupees.
101 to 200 rupees	An increase of 24 per cent of wages
201 to 300 rupees	An increase of 18 per cent of wages

The increase takes effect from the date actual crushing started in a particular factory during the current season, and will remain in force till the commencement of the next crushing season, that is 1951-52. According to the order no workman shall get less than 55 rupees per month as his wage and increments earned by a workman in the usual course during the period from 1945-46 season to 1949-50 season will be in addition to the increments sanctioned in this order. (Government Gazette of the Uttar Pradesh Part I-A, dated 9 December 1950, page 983).

U.P.: Government Order implementing Decisions on Labour Enquiry Committee's Report extended for a Period of One Year.

By a notification dated 18 November 1950, the Government of Uttar Pradesh has extended the Government Order issued on 6 December 1948 implementing the decisions on the Labour Enquiry Committee's Report regarding the minimum basic wages and dearness allowance to be paid by the cotton and woollen textile concerns and electricity concerns, for a further period of one year with effect from 6 December 1950.

(Government Gazette of Uttar Pradesh, Part I-A, dated 25 November 1950, page 889).

West Bengal: Minimum Rates of Wages to be paid to Employees of Rice Mills fixed.

By a notification dated 25 November 1950, under the Minimum Wages Act, 1948, the Government of West Bengal has fixed the minimum rates of wages and dearness allowance to be paid to workers in rice mills employed on a time-rate and piece-rate basis, including the work-load of time-rate workers.

Minimum Wages and dearness allowance (cost of Living Index = 350) for time-rate workers.
(1 day = 8 working hours, 1 week = 6 working days, 1 month = 26 working days).

Categories.	Block I, II, VI and VII.			Blocks III and IV.			Block V			Remarks
	Rs.	A.	P.	Rs.	A.	P.	Rs.	A.	P.	
1. Unskilled workers-										
(i) Adult males-										
Basic wage per day.	1	2	0	0	13	6	0	15	0	Adolescents certified to work as adults shall get equal wages and dearness allowance with adults.
Dearness allowance per day.	0	6	0	0	4	6	0	5	0	
(ii) Adolescents-Males (not certified to work as adults)-										
Basic wage per day.	0	9	0	0	6	9	0	7	6	
Dearness allowance per day...	0	3	0	0	2	3	0	2	6	

Table continued:-

Categories.	Blocks I, II, VI and VII			Blocks III and IV.			Block V.			Remarks.
	Rs.	A.	P.	Rs.	A.	P.	Rs.	A.	P.	
(iii) Adult females-										
Basic wage per day.	0	12	0	0	11	6	0	11	6	Adolescent not certified to work as adults shall not be employed for more than 4 1/2 hours.
Dearness allowance, per day.	0	4	0	0	4	0	0	4	0	
(iv) Adolescents-females (not certified to work as adults)-										
Basic wage per day..	0	6	0	0	6	0	0	6	0	
Dearness allowance.. per day.	0	2	0	0	2	0	0	2	0	
2. Semi-skilled workers-										
Basic wage per day..	1	5	6	1	5	6	1	5	6	
Dearness allowance per/month.	15	8	0	12	0	0	14	0	0	
3. Skilled workers-										
Basic wage per day (according to skill involved)..	1	8	0	1	8	0	1	8	0	
Dearness allowance per month.	15	8	0	12	0	0	14	0	0	
4. Clerks-										
Basic wage per month	50	0	0	50	0	0	50	0	0	
Dearness allowance per month.	18	0	0	15	0	0	16	0	0	
5. Durwans-										
Basic wage per month	32	0	0	32	0	0	32	0	0	
Dearness allowance per month..	15	8	0	12	0	0	14	0	0	
6. Apprentices shall get basic wage and dearness allowance at two-thirds rates.										
7. Sardars shall get equal remuneration with the workers for supervision and additional remuneration equal to that of workers, if they work with the other workers.										
Variation in dearness allowance ^{* with} which variation of one point in the Cost of Living Index.										
1. Unskilled workers, adult males and females, adolescents (male and female)...							2 per cent of the basic wage for all blocks.			
2. Semi-skilled and skilled workers and durwans.							17.5 pies per month	13.5 pies per month	15.84 pies per month	
3. Clerks.....							20.33 P. per month	16.94 P. per month	18.07 P. per month	

* Dearness allowance shall vary only when there is variation in the cost of living index by 10 points.

The following shall be the work-loads for different categories of works, when done on daily rates:-

Categories of works.	Work-loads.	Remarks.
Group A.		
(1) Unloading of ^{bags} wags of paddy	120 bags per day	If (1) and (2) are done together 160 bags per day.
(2) Unpacking of bags of paddy	480 bags per day.	
Group B.		
(1) Steaming of paddy	56 bags of paddy per day.	If (1) and (2) are done together 22 bags per day. These works include carrying of paddy to the drying yard.
(2) Boiling of paddy	40 bags of paddy per day.	
Group C.		
(1) Carrying dried paddy to the machine-room. <u>Sardarnis.</u>	3 for 100 maunds of paddy. The maximum number should not be more than one for 400 maunds of paddy for part thereof.	
Group D.		
Carrying dried paddy to the machine-room.	Males - 66 bags per day. Females - 44 bags per day.	
Group E.		
(1) Milling paddy	(1) Males - 1 for each huller or fan plus 1 extra for up to 4 hullers and 2 extra for more than 4 hullers.	Females - 3 for two hullers or fans. (2) or (3) Males - 24 maunds per hour. Females - 16 maunds per hour.
(2) Carrying rice to the godown		
(3) Carrying husk to the godown.		
Group F.		
Removing ash from furnace	1 man for the furnace.	If he is not employed for this work for full day, he may be employed for other works.

Table continued:-

Categories of works.	Work-loads.	Remarks.
Group G.		
(1) Bagging of finished rice.	160 bags per day.	If (1) and (2) are done together 54 bags per day. If (1), (2) and (3) are done together 52 bags per day. If (1), (2), (3) and (4) are done together 72 bags per day or 9 bags per hour.
(2) Weighing and sewing of bags of finished rice.	80 bags per day.	
(3) Marking of bags of finished rice.	3 bags per minute	
(4) Stacking of bags of finished rice.	160 bags per day.	
Group H.		
(1) Loading of bags of finished rice on lorries and carts.	112 bags per day or 14 bags per hour.	If (1) and (2) are done together 72 bags per day or 9 bags per hour.
(2) Arranging bags of finished rice on lorries or carts.	224 bags per day or 28 bags per hour.	

Minimum piece-rates for different works in Rice Mills per 100 bags.

Categories of work.	Blocks I, II, VI and VII.			Blocks III and IV.			Block V.		
	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.
Group A.									
(1) Unloading of bags of paddy.	1	8	0	1	2	0	1	4	0
(2) Unpacking of bags of paddy.	0	6	0	0	4	6	0	5	0
Group B.									
(1) Steaming of paddy.	3	0	0	2	4	0	2	8	0
(2) Boiling of paddy.	4	6	0	3	5	0	3	11	0
Group C.									
(1) Carrying dried paddy to the machine-room.	2	6	0	1	14	0	2	0	0
Group D.									
Carrying rice or husk to the godown from the machine-room.	0	15	0	0	12	0	0	13	0
Group E.									
(1) Bagging of finished rice.	1	0	0	0	12	0	0	14	0
(2) Weighing and sewing bags of rice.	2	0	0	1	8	0	1	12	0
(3) Marking bags of rice.	0	2	0	0	1	6	0	1	0
(4) Stacking bags of rice.	1	0	0	0	12	0	0	14	0
Group F.									
(1) Loading of bags of rice on lorries and carts.	1	9	0	1	3	0	1	5	0
(2) Arranging bags of rice on lorries and or carts.	0	12	6	0	9	6	0	10	0

(In these tables Block I means Calcutta and the district of 24-Parganas, Block II means the ~~atx~~ districts of Howrah and Hooghly, Block III means the district of Burdwan, Block IV means the districts of Bankura and Midnapore, Block V means the district of Birbhum, Block VI means the districts of Maldah, Murshidabad, Nadia and West Dinajpur and Block VII means the districts of Jalpaiguri and Darjeeling).

(Notification No. 6763 Lab., dated 25 November 1950;
The Calcutta Gazette, Part I, dated 30 November 1950, pages 2389-2391).

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49. Rehabilitation.

India - December 1950.

Conference of Rehabilitation Ministers, New Delhi,
11-14 December 1950: Expert Committee to draw up
Scheme to Provide Short-Term Credit.

A conference of Rehabilitation Ministers, Chief Commissioners and other representatives of States were held at New Delhi from 11 to 14 December 1950. Mr. A.P. Jain, Minister of State for Rehabilitation, presided. The meeting was attended by representatives from Bombay, Madhya Pradesh, Hyderabad, Patiala and East Punjab States Union, Saurashtra, Bihar, Madhya-bharat, Punjab, Rajasthan, Kutch, Ajmer, Bhopal, Delhi, Vindhya Pradesh and Uttar Pradesh.

Prime Minister's address: productive employment of displaced persons urged. - Addressing the conference the Prime Minister, Mr. Jawaharlal Nehru asked the rehabilitation authorities to approach the problem of displaced persons from a new angle - that of making them wealth-producing. So far conservatism and vested interests had held the field too much. More attention had been paid to the man of property, who had come from Pakistan and shouted for compensation, than to genuine rehabilitation. ~~The~~ The outlook had not been sufficiently egalitarian. Mr. Nehru said that the results achieved by the Government in rehabilitating displaced persons in this country had been "commendable and something to be proud of". In fact they compared very favourably with what had been achieved in other parts of the world. The country had to face these problems at the worst possible moment, when its resources were strained to the utmost by the requirements of development.

Exodus from East Bengal. - Mr. Nehru pointed out that when the flood of refugees came to India, the Government first aimed at giving them food and shelter. The second problem was to keep them going in some organized way, such as in big camps. The third was their settlement. But, just as the Government had got control over the situation created by the exodus from West Pakistan, another flood came from Eastern Pakistan.

Fortunately, the latter situation had improved greatly. One obvious thing to do in rehabilitation was not to try to reproduce the kind of social structure which had shown cracks and required change,

but rather to try to make a beginning in social organization in so far as was possible. He was afraid that though such ideas floated about in the minds of many people, no real attempt had been made about that. The rehabilitation programmes had definitely favoured the haves and not the have-nots.

Productive employment.- Mr. Nehru emphasised that the larger problem of rehabilitation must revolve round wealth-producing activities and nothing else. Unfortunately they had been obsessed by the petty ~~xxxxxxxxxxxx~~ shopkeeper mentality. He had nothing against petty shopkeepers but a ~~xxxxxxxx~~ nation did not go ahead by petty shopkeeping. It went ahead by producing things, not transferring them from pocket to pocket at a higher price. He thought that this had not been adequately ~~xxxxxxxx~~ understood or adequately appreciated by a large number of displaced persons. Mr. Nehru praised the displaced persons from Western Pakistan for their initiative. Probably others would not have been able to look after themselves as many of these people had done. Therefore, in what he said he was only emphasizing the psychological aspect of the problem.

Mr. Nehru was pleased with the Nilokheri experiment. Its success, he said, was to be judged not only by the number of people rehabilitated, but the co-operative ~~xxxxxxxx~~ efforts involved. The country needed a psychology of work and enthusiasm and energy which Nilokheri provided. There ~~would~~ should be "10,000 Nilokheries". It was financially self-sufficient. A similar scheme was being put into effect in Fulia in West Bengal. Bengal was a supreme example of an amazing capacity normally frustrated for lack of opportunity, and it was, therefore, exceedingly important that such a scheme should be started there.

Mr. Nehru emphasised the need for proper facilities for the rehabilitation of displaced children. They must be given top priority.

He was not happy about isolated homes for women and orphans. They must not be isolated completely. They must be made to feel normal human beings.

He was sorry that the Rehabilitation Ministry's experiment in training social workers had failed. The idea must not be given up.

He thought that later, perhaps in 10 years, the Rehabilitation Ministry would become a Social Affairs Ministry.

Decisions. - The conference ~~has~~ decided that nearly 60,000 houses and 11,000 shops would have to be constructed during 1951-52 in areas where displaced persons from West Pakistan are settled. The building of these houses and shops, in addition to those already under construction or those for which financial sanction existed, was recommended by a sub-committee set up by the conference.

The conference accepted a proposal to appoint an expert committee to draw up a scheme aiming at the creation of some liberal machinery for enabling displaced persons in need of capital to raise short-term credit. It was recommended that the committee should include representatives of the Central Ministries of Rehabilitation and Finance, the Reserve Bank of India and representatives of banking and industrial interests.

While discussing rural loans, the conference agreed that rural rehabilitation should be effectively integrated with the grow-more-food campaign and recommended the twofold objective of securing better rehabilitation results and production of more food for the country as a whole.

The conference recommended the setting up of a central advisory board for dealing with the problem of maintenance and care of displaced old persons, orphans and women and their dependants.

The Government of India, the conference recommended, should continue to bear the entire expenditure for the maintenance of the homes. There are at present 43 homes in the country with a total displaced population of more than 40,000 from West Pakistan.

Regarding the schemes of technical and vocational training, the conference said that these should continue for another five years and training should be provided to 50,000 displaced persons in addition to the 30,000 ~~displaced~~ already trained.

The conference said that the present short-term courses should be increased to periods up to 12 months, and these should be followed by suitable apprenticeship courses. The trainees should be given experience of production on commercial lines. For this purpose efforts should be made to place them in Government or private factories and workshops.

Chapter 5. Working conditions.

52. Welfare and Workers' Leisure.

India - December 1950.

Construction of Pithead Baths: Government to grant subsidy.

The Government of India has decided to grant a subsidy of 10 per cent of the cost of construction of pithead baths with collieries in Vindhya Pradesh. The grant is subject to certain maximum limits to those colliery owners who complete the construction by 31 August 1951.

A similar subsidy will be given to those collieries in Korea and Talcher (Orissa), which complete construction of pithead baths by 31 December 1950. Subsidies were given to collieries in other Part 'A' States which completed construction of pithead baths by 31 December 1949.

(Indian News Chronicle, 7-12-1950).

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59. General.

India - December 1950.

Labour Conditions in Potteries and Ceramic
Factories.

In 1944-45 the Labour Investigation Committee conducted an ad hoc enquiry into labour conditions in the pottery industry in India and published a report in the year 1945. The investigations of the Committee were confined to 8 selected units - 5 in Calcutta, 2 in Bangalore and ~~in~~ 1 in Gwalior. In order to collect up-to-date information regarding labour conditions in the entire industry, a questionnaire was issued by the Labour Bureau in May 1949 to all potteries and ceramic factories where addresses could be ascertained. In all 63 units - 6 in Madhya Pradesh, 10 in Bihar, 6 in Bombay, 7 in Delhi, 6 in Madras, 2 in U.P., 2 in Mysore, 21 in West Bengal and one each in Gwalior, Cochin and the Punjab were addressed. Replies were, however, received only from 43 units and the managements of 6 units informed the Bureau that their concerns were closed. The information given by one unit was so defective that it could not be utilised. An article based on replies from 42 units has been published in the Indian Labour Gazette, October 1950; the following is a brief summary of the article.

The information generally relates to December 1948. The concerns which have sent their replies make a wide variety of goods. Nearly fifty per cent of them are exclusively engaged in manufacturing fire bricks, fire clay, sanitary wares, pipes, etc. Four concerns manufacture crockery only. The remaining concerns manufacture crockery as well as other things such as, electric insulators, stone jars, laboratory goods, toys, etc.

Employment.- The following tabular statement shows the average number of workers employed directly in these factories in December 1947 and in December 1948. In the table, employment statistics for 1947 are given in respect of 35 factories and for 1948 in respect of 41 factories. This is due to the fact that some of the factories were either not working in both the years or did not furnish information for any one particular year.

workers was supplied by 40 units. In the industry as a whole, 22.5 per cent of the workers ~~XXXXXXXXXXXX~~ ~~XXXXXX~~ had less than 1 year's service, 47.1 per cent between 1 and 5 years' service, 16.5 per cent between 5 and 10 years' service and 13.9 per cent had more than 10 years' service.

Recruitment and training. - ~~XXXXXXXXXXXX~~ In most of the concerns local workers are recruited either at the factory gate or through old employees. Only a few concerns recruit workers through employment exchanges. With the exception of two units - one in West Bengal and one in Bombay - no other unit has any scheme for training apprentices. Most of the units place new recruits in the charge of skilled workers and thus train them for skilled jobs. The Bengal Ceramic Institute has two training courses - (a) ordinary course and (b) advanced course of ceramics. The period of training is 18 months for the first course and 2 years for the second. The Institute awards stipends to meritorious students and for this purpose sets apart a sum of six thousand rupees every year. The other unit, which is in Bombay, takes B.Sc. students as apprentices and gives training for 3 years. Apprentices in this unit get an allowance of 80 rupees per month during the first year of training, 90 rupees during the second year and 100 rupees during the third year of training.

Wages and earnings. - The basic rates of wages of workers vary not only from centre to centre but also from unit to unit in the same centre. Analysis of the ~~XXXXXX~~ monthly basic wages of the lowest paid workers in different units in December 1948, shows that basic wages varied from 50 rupees in a unit in West Bengal to 13 rupees in certain units in Mysore and Madhya Pradesh. A wide variety of methods is being followed by the employers for paying dearness allowance. Sixteen units pay consolidated wages to their employees and pay no separate dearness allowance. In two units dearness allowance is linked to the cost of living index. In other units dearness allowance is paid either at a flat rate to all employees or is paid at different rates to employees in different income groups.

In addition to dearness allowance a large number of units pay certain other allowances and bonuses such as house rent allowance (4 units), attendance bonus (3 units), profit bonus (22 units), fire allowance (2 units), production bonus (5 units), festival bonus (2 units), etc.

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Working conditions: Hours of work and shifts.-
The single shift system prevails only in 11 units. In all other units 2 to 4 shifts are worked. Most of the units usually work one general shift and 3 other shifts for continuous processes, ~~exx~~ e.g., kiln or even firing, clay crushing, etc. While some of the concerns have introduced a system of change-over of shifts, others have no such system. The hours of work vary from 6 to 8 1/2 but in most of the units the shifts are of 8 hours each. In almost all the concerns the general shift workers get rest intervals ranging from half an hour to 2 hours. In the case of continuous-process-shift-workers, however, some of the units allow rest intervals ~~xx~~ ranging from half an hour to one hour while others do not give any rest interval at all. Night shift workers in only 4 units are paid special allowances or are provided with some amenity. In one unit they are given free tea. The second unit pays extra allowance at the rate of 2 annas per day to daily rated and 4 rupees per month to monthly rated employees and also gives free tea. The third unit pays 8 hours' wages for 6 hours' work. In the fourth unit night shift workers are engaged on special rates of wages.

Rest shelters have been built in 9 units and ~~xxxxxx~~ creches in 6. Protective appliances have been supplied to workers in 12 units only. Standing orders regarding the conditions of employment have been framed by 19 units. Two units reported that they had submitted draft standing orders to the certifying authorities and the same were under consideration.

Labour Officers have been appointed in 10 units. Their functions are generally to look after the welfare of the workers, to maintain their service and leave records and to enquire into their grievances. In other units either the Manager or the proprietor himself ~~xxxxxx~~ enquires into the grievances of the workers. In 7 units Works Committees have been constituted. These Committees consist of an equal number of representatives of employers and employees.

Leave and holidays with pay.- With the exception of one unit the employees in all units enjoy leave privileges. In 5 units no specific rules have been framed for granting leave or holidays. The remaining 36 units grant privilege leave ranging from 7 to 30 days to their employees with pay. Thirty-two out of these 36 units allow 10 to 15 days' leave in a year. In some of these units this leave is allowed only to those workers who have completed one year's service or to those who are permanent. Sick leave with pay is allowed to workers in 7 units. The period of leave varies from 2 to 28 days. Only 3 units grant casual leave to their monthly rated employees. In addition to the above

leave privileges, 15 units also grant festival holidays with pay to their employees. The number of festival holidays varies from 2 to 20.

Welfare.- Very few units have made arrangements for the education of workers or their children. Seven units have set up primary schools and one unit an upper primary school where free education is given to workers' children. One unit has set up a middle school in addition to a primary school. Arrangements for education of adult ~~workers~~ workers have been made in two units only. For purposes of workers' recreation three units have set up clubs where arrangements exist for in-door and out-door games. In one unit there is a club for members of the staff only but workers are given facilities for out-door games. Five other units provide material for out-door games and one unit arranges cinema shows for the recreation of workers. In 2 units clubs have been set up for the benefit of the staff. In all other units no arrangement has been made for the recreation of the workers.

Three of the units do not provide any medical facility to their employees while 5 maintain only first-aid boxes. All other units have made arrangements for the treatment of workers by maintaining dispensaries or by employing doctors. Fifteen units maintain dispensaries, 8 employ full-time doctors and 4 employ part-time doctors. A hospital is maintained by one unit only but 6 units have made arrangements with the local hospitals for the treatment of their workers.

Grain shops have been opened by 19 units where food grains are sold either at concession rates or at controlled rates or at cost price. Co-operative Societies exist in only in 7 units. Sixteen units reported that they have opened canteens in which usually tea and snacks are served. In two canteens meals are also served at concession rates.

Housing.- Housing accommodation has been provided by 29 units only. The percentage of workers provided with accommodation in different units varies from 1.5 per cent to 100 per cent. While some of the units have built kutchra huts, others have provided purcca ~~in~~ family quarters. The type of accommodation provided varies considerably. In most cases single-room quarters have been provided. With the exception of two units, no other unit charges rent from its employees. In one unit the rent charged varies from 2 rupees to 8 rupees per month depending upon the type of accommodation provided. In the other unit 10 per cent of the pay is charged as rent.

Provident fund and gratuity.- Provident fund and/or gratuity schemes are in force in 19 units. From the replies it would appear that provident fund schemes are in force in 17 units, but only 13 units have given details. In most of these units the membership of the fund is open to all permanent employees. The schemes are contributory in character, i.e. both the employers and the employees contribute to the fund. The rate of contribution varies from 6 1/4 per cent to 8 1/3 per cent of salary or wages. In addition to provident fund schemes, 7 of the units have gratuity schemes also. In one unit only gratuity is paid. Details regarding gratuity schemes are available in respect of 6 units only. Out of these, 5 units pay 15 days' wages for each year of service as retiring gratuity to those employees who retire after 15 years of continuous service. In one unit gratuity is paid at a graduated scale depending upon the length of service. Persons between 3 to 5 years' service get 3 months' ~~six~~ salary as gratuity, while those with over 10 years' service get one month's salary for each year of service.

(Indian Labour Gazette, October, 1950).

Extension of Central Acts to Part "B" States:
Bill introduced in Parliament.

Dr. B.R. Ambedkar, Minister for Law, Government of India introduced in the Parliament on 17 November 1950, the Part B States (Laws) Bill, 1950 providing for the extension to Part B States, except Jammu and Kashmir, of certain central Acts falling within the union and concurrent List.

The Statement of Objects and Reasons appended to the Bill points out that for the purpose of improving the administration of Part B States and for placing them, as far as possible, on a par with Part A States, it is necessary that all the more important Central Acts falling within the Union and Concurrent Lists should be extended to Part B States also. With this end in view, a number of such Central Acts has already been extended to Part B States generally, or to Part B States except the State of Jammu and Kashmir, as the case may be, according to the legislative competence of Parliament, but a large number of Acts still remains to be similarly extended. Moreover, with the financial integration of Part B States, the Central Government has assumed responsibility for the administration of various subjects in those States, and it is, therefore, a matter of some urgency that the remaining

Central Acts requiring to be extended are extended to Part B States as soon as possible. The present Bill is intended to give effect to this proposal. The Acts and Ordinances listed in the Schedule to this Bill have been prepared in consultation with the administrative departments concerned, and the views of Part B States with regard to the extension of these Acts and Ordinances have also been obtained.

The following Acts of interest of labour are proposed to be extended to Part B States, with certain consequential amendments: The Indian Ports Act, 1903; The Indian Mines Act, 1923; The Indian Boilers Act, 1923; The Workmen's Compensation Act, 1923; The Indian Trade Unions Act, 1926; The Tea Districts Emigrant Labour Act, 1932; The Children Pledging of Labour Act, 1933; The Indian Dock Labourers Act, 1934; The Payment of Wages Act, 1936; The Coal Mines Safety (Stowing) Act, 1939; The Mines Maternity Benefit Act, 1941; The Weekly Holidays Act, 1942; The Industrial Statistics Act, 1942; The Industrial Employment (Standing Orders) Act, 1946; The Mica Mines Labour Welfare Fund Act, 1946; The Coal Mines Labour Welfare Fund Act, 1947; The Dock Workers (Regulation of Employment) Act, 1948; The Minimum Wages Act, 1948; The Employees' State Insurance Act, 1948; The Factories Act, 1948; The Industrial Disputes (Banking and Insurance Companies) Act, 1949.

(The Gazette of India, Part II-Section 2, dated 25 November 1950, pp.359-390).

West Bengal: Hours of Work, Rest Period and Overtime fixed for Workers employed in Rice Mills under the Minimum Wages Act, 1948.

Consequent upon the fixing of minimum wages for workers employed in rice mills in West Bengal (vide pages 40-44 of this report), the Government of West Bengal, has, by notification dated 25 November 1950 under section 13 of the Minimum Wages Act, 1948, fixed for employees in rice mills the hours of work constituting a normal working day, the period of interval for rest, the day for weekly rest, the rate of payment for the day for weekly rest, the rate of payment for work on the day for rest and the rate of overtime.

Working hours.- Eight working hours including the daily period of rest shall constitute a normal working day and six such working days shall constitute a week: provided that all the employees in a rice mill or a section may be required by the employer to work up to ten hours on any day subject to the limit of 48 hours in a week of six days or on all the seven days in a week subject to the condition

that the total number of days of weekly rest admissible to an employee shall be allowed within the month next following. In such cases, the daily rate of basic wages and dearness allowance shall be proportionately increased.

Rest intervals.- Ordinarily, the weekly day of rest for employees in rice mills shall be Sunday, except in cases of rice mills where days other than the Sunday are allowed as weekly days of rest. The period of work of adult workers in any rice mill shall be so fixed that no period shall exceed five hours and that no employee shall work for more than five hours before he has had an interval of rest for at least half an hour.

Weekly rest.- The wage and dearness allowance for the day of weekly rest shall be paid at the ordinary daily rate. The rate of payment for work on the day of weekly rest, when no compensatory day of rest is allowed, shall be double that of normal basic wage and dearness allowance.

Overtime wages.- The rate of payment for overtime work shall be double that of normal basic wage and dearness allowance, only when the total hours of work in a week exceed 48 hours in a period of six days.

(Notification No. 6764 Lab dated 25 November 1950; The Calcutta Gazette, Part I, dated 7 December 1950, page 2455).

Bihar: Factories Rules, 1950.

inserted

The Government of Bihar gazetted on 1 December 1950, the Bihar Factories Rules, 1950, under the powers conferred by the Factories Act, 1948. The rules relate, inter alia, to licensing of factories, powers and duties of inspecting staff, detailed standards of cleanliness, artificial humidification etc., safety provisions to be observed in cotton textile mills, ginning factories, rubber mills etc., welfare measures such as washing facilities, first aid and ambulance room, canteens and creches, procedure relating to working hours of adults, employment of young persons, and leave with wages and special safety provisions relating to dangerous operations. The rules would come into force immediately, except in certain specified cases.

(The Bihar Gazette, Extraordinary, dated 1 December 1950, pages 1-135).

CHAPTER 6. GENERAL RIGHTS OF WORKERS.

INDIA - DECEMBER 1950.

6L. Civil and Political Rights of Workers.

The Uttar Pradesh Maintenance of Public Order
(Repeal) Bill, 1950.

The Uttar Pradesh Government published on 13 December 1950, a Bill to repeal the U.P. Maintenance of Public Order (Temporary) Act, 1947. The Statement of Objects and Reasons appended to the Bill points out that the U.P. Maintenance of Public Order (Temporary) Act, 1947 (U.P. Act No. IV of 1947) was originally enacted in 1947 when the law and order situation in the State and the prevailing communal tension had necessitated it. The situation has now changed. A uniform procedure has been laid down for all the States regarding detention, by the Preventive Detention Act passed by Parliament this year. Some provisions of the U.P. Maintenance of Public Order Act require slight amendments in order to be brought in line with the Constitution. Although the use of some of these provisions may be necessary in the maintenance of law and order in the changing conditions of today, Government did not propose to bring forward an amending bill. It is, in the circumstances, proposed to repeal the Act as a whole.

(The Government Gazette of the
Uttar Pradesh, Extraordinary,
dated 13 December 1950).

66. Strikes and Lockout Rights.

India - December 1950.

Coal Industry declared Public Utility Service under the Industrial Disputes Act, 1947.

By a notification dated 10 November 1950 under the Industrial Disputes Act, 1947, the Government of India has declared the coal industry so far as it is concerned with the production and supply of coal and coke to be a public utility service for the purposes of the Act, for a period of six months with effect from 10 November 1950.

(The Gazette of India, Part I-Section 1, Extraordinary, dated 10 November 1950, page 589).

Bombay: Air Transport Industry declared Public Utility Service under the Industrial Disputes Act, 1947.

The Government of Bombay has declared the industry of transport for the carriage of passengers or goods by air to be a public utility service for the purposes of the Industrial Disputes Act, 1947, for a period of six months ending on 17 May 1951.

(The Bombay Government Gazette, Part I, dated 16 November 1950, page 6570).

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67. Conciliation and Arbitration.

India - December 1950.

Changes in Labour Relations Bill: Select
Committee's Report.

On 1 December 1950, Mr. Ananthasayanam Ayyangar, Deputy Speaker, presented to Parliament the Select Committee's Report on the Labour Relations Bill, 1950 (vide pages 47-49 of the report of this Office for April 1950).

The main changes made by the committee relate to strikes, lockouts and dismissal and retrenchment of employees. The Committee, however, feels that the changes proposed by it are neither formal nor consequential, and hence the Bill does not need to be circularized. Seven minutes of dissent have been appended to the report.

The definition of "strike" has been modified by the committee to include within its scope any strike which is declared in sympathy with the employees of another establishment within the same industry and trade "to put pressure on the employer". Further, the committee is of the view that strikes or lockouts should be prohibited only in respect of disputes which are either pending before any authority or are covered by any settlement. The committee has modified the definition of "lockout" so as to include within its scope any lockout which is declared to help another employers within the same industry "to put pressure on the employees".

The committee has reduced the wages payable to an employee for the period of an illegal lockout from twice the average pay to one and a half times the average pay.

Regarding retrenchment, the committee has added a new chapter. It relates to dismissal and retrenchment of employees and includes the procedure for dismissal and ~~retrenchment~~ the powers of tribunals dealing with disputes arising out of dismissal of an employee. Conditions have also been laid down which must be fulfilled before an employee can be retrenched.

The committee has also inserted a new clause to provide a penalty for retrenching employees in contravention of the provisions of the Act. Any employer who retrenches an employee in contravention of the Act shall be punishable with imprisonment which may extend to six months or with fine which may extend to 1000 rupees or with both. If the court fines the

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offender it may direct that the whole or part of the fine realized from him shall be paid by way of compensation to any person who in its opinion has been injured by the contravention.

The committee considers that it may be difficult to apply the Act at once to all the industries or classes of establishment in the States, and has accordingly provided that the Government may bring this Act into force in the States by stages. The committee is, however, of the opinion that the Act should be brought into force in all the States within one year of its commencement.

The committee suggests that collective agreement should ~~be~~ cover not only the terms and conditions of employment but also those of non-employment. Also that the labour courts, labour tribunals and appellate tribunals should be manned as far as practicable by judicial officers. Further no distinction should be made between disputes which arise in public utility services and other disputes.

(The Statesman, 2-12-1950).

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CHAPTER 7. EMPLOYMENT AND UNEMPLOYMENT.

INDIA - DECEMBER 1950.

71. Organisation of the Labour Market.

Work done by the Directorate General of
Resettlement and Employment during the
Month of September 1950.

Employment situation.- According to the Review of the Directorate General of Resettlement and Employment ~~mak~~ for the month of September 1950, the number of employment-seekers applying for registration at exchanges which had arisen to 121,017 in July 1950 and had thereafter shown a downward trend, recorded a further decline during September 1950, during which month registrations were 101,585. Openings for employment remained more or less steady around the 35,000 mark. The number of vacancies available in Government establishments declined by about 900. This decline, however, was offset by a compensating increase in the private ~~xxxxxxx~~ sector. As compared with the previous month, the month under review witnessed a reduction in the number ~~xxxxxxx~~ of displaced persons seeking employment assistance and an increase in the number for whom employment was found. The number of applicants known to be seeking employment, which had steadily been increasing during the preceding month, fell to 348,000 during the month under review, the extent of the fall being 18,000. This provided a further indication that the employment situation had ~~be~~ eased to some extent.

There was no notable change during September in the general pattern of shortages and surpluses of manpower in the country as a whole, although shifts in their incidence as between different areas were a feature of the situation. Trained teachers, draughtsmen, overseers, stenographers, doctors, compounders and nurses were reported to be in short supply in local-office areas. There were openings for tractor drivers, grinders, graduate teleprinter operators, die makers, boiler attendants, blacksmiths and hosiery workers which could not be filled due to lack of suitable applicants. The overall surplus reported in earlier months of unskilled labourers, clerks, and freshers from schools and colleges continued during the month under review. Reports from some Exchanges stated that there was a dearth of unskilled labour willing to undertake heavy manual work as excavators, stone workers and estate labourers.

Registration and placings.- The total number of registrations for employment and the total number placed in employment during the month are as followed:-

	September 1950	August 1950
Total number of registrations..	101,585	119,682
Total number of placings.....	29,377	29,021

Of those registered 8,373 were ex-Servicemen, 14,357 were displaced persons (including 6,291 from East Pakistan) and 3,967 discharged Government employees. Of those placed, 2,880 were displaced persons (including 1,141 from East Pakistan), 1,563 were ex-Service personnel and 1,216 were discharged Government employees. 17,227 (58.6 per cent) were placed with private employers and 1,150 (41.4 percent) in Union and State Government establishments. The ~~increased~~ increase in placements was primarily due to higher placements effected in Uttar Pradesh.

Employers notified 34,802 vacancies to Exchanges during September as compared with 34,858 during the previous month. Regionwise, fewer vacancies were notified in Madras, Madhya Pradesh, Bombay and Assam during the month under review. Of the vacancies notified 14,454 were Union and State Government vacancies and 20,348 were in private establishments. The number of employers who used the exchanges during September was 6,313, of whom 62.6 per cent were private employers.

The following table shows the number of applicants who refused to accept the appointments offered or failed to attend interviews:-

Category of Personnel.	Number of applicants who refused to accept appointments offered.			No. of applicants who failed to attend for interview without satisfactory explanation.
	Because pay was inadequate.	other reasons	total	
1	2	3	4	5
Ex-Service.	336	414	750	661
Others.	835	1418	2253	2253
TOTAL.	1171	1832	3003	2914

Note:- These tables do not include figures in respect of two District Employment Offices due to non-receipt of returns.

Placings by wage groups.- Figures relating to placings during September 1950, analysed according to wage groups were as follows:-

<u>Wage group: basic monthly pay</u>	<u>Number of placings.</u>
Above 101 rupees	408
61 to 100 rupees	3,254
30 to 60 rupees	21,147
Below 30 rupees	4,568

Employment of displaced persons.- During September 1950, 14,357 displaced persons were registered and 2,880 placed in employment by exchanges, as against 16,232 ~~and 2,424~~ registered and 2,424 placed in August. In Assam 432 displaced persons were registered and 40 placed, in employment. In Bihar 298 were registered and 50 placed, while in West Bengal 5,436 were registered and 1,037 placed by the exchanges. The pressure of displaced persons from East Pakistan on the employment exchanges was generally less during the month under review than in August 1950.

Employment of retrenched Government employees.- During September, the employment exchanges registered 2,894 discharged Union Government employees and 1,073 discharged State Government employees as against 3,678 and 1,553 respectively during the previous month. 885 ex-Union Government employees and 331 ex-State Government employees were placed in employment during the month under review as against 1,291 and 352 respectively placed in August. The number of discharged Government employees on the Live Registers of Employment Exchanges on 30th September was 15,906, of whom 11,376 had been Union Government and 4,530 State Government employees. The number of such men seeking employment assistance at the end of September showed fall of 1,761 as compared with August.

Placing of women.- 1,761 women were placed in employment during the month.

Number of unemployed at the end of September 1950.- The number of persons seeking employment assistance as on the last day of September 1950, was 347,944 as against 365,732 at the end of August. Of these, 63,440 were displaced persons (including 42,226 from East Pakistan), 35,702 were ex-Servicemen and 15,906 discharged Government employees. Among discharged Government employees 11,376 were Central and 4,530 State Government employees.

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Technical and vocational training.- The number of trainees on the rolls of the various training institutes on 30 September 1950 was 9,868 inclusive of 233 Harijans and Political sufferers in Uttar Pradesh, against the sanctioned capacity of 10,000 seats. Of those on the rolls 7,467 persons were receiving training in technical trades and the rest in vocational trades. Under the training scheme for displaced persons, which was in operation before the training scheme for adult civilians was introduced and which continues to be worked in Uttar Pradesh alone, 180 persons were receiving training on 30 September, 1950. Against the 2,000 seats sanctioned for displaced persons in addition to the 10,000 seats sanctioned under the training scheme for adult civilians, 1976 displaced persons were undergoing training at the end of the month at the training institutes in Assam, Bihar, Bombay, Madhya Pradesh, Punjab, Orissa, Uttar Pradesh, Delhi and West Bengal regions. 35 displaced persons passed the prescribed test during the month bringing the total number of displaced persons who had successfully completed training at the Labour Ministry's training institutes to 9,152.

A total number 340 women were undergoing training at the end of the month at the three women's industrial training institutes at New Delhi, DehraDun, and Madras.

The total number of supervisors and instructors undergoing training in the fifth regular and special sessions at the Central Training Institute, Koni, Bilaspur (Madhya Pradesh), were 110 and 53 respectively on the 30 September 1950.

In addition to the categories of trainees mentioned above, 206 primary school teachers were receiving training in Wood work at the Industrial Training Institute, Aundh, under a special arrangement with the Government of Bombay.

(Review of the Work done by the
Directorate General of Resettlement
and Employment during the Month of
September 1950; issued by the
Government of India)

Work done by the Directorate General of Resettlement and Employment during October, 1950.

Employment

Employment situation.- According to the Review of the Directorate General of Resettlement and Employment for the month of October 1950, there was no noticeable change in the general employment situation which continued to be fairly steady. October, being the month of Pujā holidays, the volume of work at all exchanges was less than usual. Fewer employers used the exchanges, fewer vacancies were notified and registrations fell by nearly 9,000, with the result that placings also declined, being 2,000 less than in September. ~~Approximately 9,000 registrations were notified in October as compared with 18,000 in September.~~ It is anticipated that statistical returns for the month of November 1950 will show a compensatory increase.

Most of the regions continued to feel an acute shortage of stenographers, trained school-teachers, draughtsmen, overseers, compounders and nurses. Doctors were reported to be in short supply at Bombay, Sholapure, Dharamsala, Cuttack and Bareilly and engineers at Delhi and Amritsar. On the other hand, the exchanges reported a surplus of clerks, motor drivers, unskilled labourers and of applicants fresh from schools and colleges.

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

	October 1950	September 1950
Total number of registrations..	92,835	101,585
Total number of placings.....	27,302	29,377

Of those registered, 7,658 were ex-Service personnel, 11,509 were displaced persons (including 4,516 from East Pakistan) and 3,911 discharged Government employees. Of those placed 2,124 were displaced persons (including 604 from East Pakistan), 1,643 were ex-Service personnel and 1,344 discharged Government employees. 15,584 were placed with private employers and 11,718 in Union and State Government departments. The total placings recorded a fall of 2,075, as compared with September. The overall decrease in placings was attributable to the decreased number of working days during the month.

Of the total number of placings effected, 576 were in posts carrying a basic pay of 101 rupees per month and above.

The following table shows the number of applicants who refused to accept the appointments offered or failed to attend for interview with employers:-

Category of Personnel.	Number of applicants who refused to accept appointments offered.			No. of applicants who failed to attend for interview without satisfactory explanation.
	Because pay was inadequate.	Other reasons.	Total	
1	2	3	4	5
Ex-Service.....	404	371	776	556
Others.....	840	1,752	2,592	2,078
TOTAL.	1,244	2,123	3,367	2,634

Placings by wage groups.- Figures relating to placings during October 1950, analysed according to wage groups were as follows:-

Wage group: basic monthly pay.	Number of placings.
Above 101 rupees	576
61 to 100 rupees	2,675
30 to 60 rupees	20,265
Below 30 rupees.....	3,786

Employment of displaced persons.- The number of displaced persons registered during the month under review was 11,509 against 14,357 registered in September 1950. 2, 124 displaced persons were placed in employment against 2,880 in September. In Assam, 339 displaced persons were registered and 57 placed in employment. The exchanges in Bihar registered 218 displaced persons, but were able to place only 24 in employment. The employment exchanges in West Bengal registered 3,851 and placed 498 in employment. Reports received from employment exchanges showed that the rush of displaced persons to employment exchanges was on the decrease.

Employment of retrenched Government employees.- The registration figures in respect of discharged Government employees, did not show any marked change during the month under review, being 3,911 against the figure of 3,967 registered in September 1950. Of these, 2,754 had been discharged from Union Government Establishments and 1,157 from State Government offices. The placing figures showed a slight increase,

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being 1,344 against 1,216 placed in September. It was reported by the Delhi exchange that most discharged Government employees were reluctant to leave Delhi or to accept employment under the local Government for fear that there would be a break in their services under the Central Government.

Placing of women.- The number of women placed was 1,766, the figure being almost exactly the same as the previous ~~year~~ month.

Number of unemployed at the end of October 1950.- The number of persons still seeking employment assistance on the last day of the month was 338,311 which was 9,633 less than the figure for September 1950. Of these 63,159 were displaced persons (including 41,531 from East Pakistan), 33,805 ex-Service personnel and 15,193 discharged Government employees. Among discharged Government employees 10,824 were Union Government and 4,374 were State Government employees.

Technical and vocational training.- The number of trainees on the rolls of the various training institutes was 9,545 on ~~the~~ 31 October 1950, against the sanctioned capacity of 10,000 seats. Of those on the rolls, 7,239 persons were receiving training in technical trades and the rest in vocational trades. Under the old training scheme for displaced persons, 112 persons were receiving training in Uttar Pradesh. In addition, 2,156 displaced persons were undergoing training at the end of the month at the training institutes in the various States under the new training scheme for them. 73 displaced persons passed the prescribed tests during the month, bringing the total number of displaced persons who had successfully completed training at the Labour Ministry's Training Institutes to 9,225. A total number of 327 women were undergoing training at the end of the month at the three Women's Industrial Training Institutes at New Delhi, Dehra Dun and Madras. In addition, there were 18 women undergoing training at the Industrial Training Institute, Virajapet (Coorg).

The fifth regular session for the training of Instructors and Supervisors at the Central Training Institute, Koni-Bilaspur, came to an end on 31 October 1950. A new session ~~is~~ is scheduled to start in the month of November. Meanwhile, 50 trainees were under training at a special session.

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In addition to the categories of trainees mentioned above, 205 primary school teachers were receiving training in wood works at the Industrial Training Institute, Aundh, under a special arrangements with the Government of Bombay.

(Review of the Work done by the Directorate General of Resettlement and Employment during the Month of October 1950, issued by the Government of India).

U.P.: Employment of Seasonal Workers in
Sugar Factories: Rules framed by Government.

By an order dated 8 November 1950, under section 3 of the United Provinces Industrial Disputes Act, 1947, the Government of the Uttar Pradesh has framed rules governing the employment of seasonal workers in all vacuum pan sugar factories in the State.

According to the rules, a worker who has worked ~~for~~ or but for illness or any other unavoidable cause would have worked in a factory during the whole of the second half of the last preceding season would be employed in this season in that factory. All the seasonal workers who worked during the last season would be put on their old jobs. In special cases if any factory finds it necessary to transfer a worker from one job to another or from one shift to another, it may do so up to a maximum of 5 per cent of the total number of employees without in any way affecting the wages or the status of ~~the~~ the workers concerned. Vacancies caused by dismissal, resignation or death shall be filled up by old hands of that particular factory if suitable hands are available.

The order binds every sugar factory in the Uttar Pradesh and its workmen for a period of six months from the date of this order in the first place and shall then remain in force for such further period as may be prescribed, unless and in so far as it may be determined by notice in writing given by or to the Sugar Factory to ~~or~~ by its workmen in the specific manner.

(Notification No.3070(ST)/XVIII-150(ST)-1950, dated 8 November 1950; Government Gazette of the Uttar Pradesh, Extraordinary, dated 8 November 1950).

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73. Migration and Colonisation.

India - December 1950.

Ceylonisation of Employment: Agreement signed
with Indian Merchants.

Representatives of Indian merchants' associations signed an agreement relating to ceylonisation of employment (vide page 50 of the report of this Office for November 1950) with Mr. A.S. Goonesinghe, Minister of State, Ceylon on 21 December 1950. According to this agreement citizens of India and Pakistan, who secured employment in Ceylon for the first time after 1 July 1948, would, with certain exceptions, be immediately discontinued from employment. The agreement will not affect firms where three or less persons are employed.

(The Hindu, dated 22-12-1950).

CHAPTER 8. SOCIAL SECURITY.

INDIA - DECEMBER 1950.

81. Social Insurance.

Compensation for Work Injuries: Bill to amend Employers' Liability Act, 1938, introduced in Parliament.

Mr. Jagjivan Ram, Minister for Labour, Government of India, introduced on 17 November 1950, the Employers' Liability (Amendment) Bill, in the Parliament.

The Statement of Objects and Reasons, appended to the Bill, points out that ~~by the defence of "common employment" and "assumed risk"~~ in suits for compensation for injuries sustained by workmen, it was open to the employer to plead the doctrines of "common employment" and "assumed risk". By the defence of "common employment", the employer could plead that he was not liable to pay damages to a workman for injuries resulting from the default of a fellow workman. By the defence of "assumed risk", he could plead that the workman was presumed to have accepted the risk if it was such that he ought to have known it as part of the risks of his occupation. The Royal Commission on Labour in India regarded both these doctrines as inequitable and accordingly, on their recommendation, the Employers' Liability Act, 1938, was enacted debarring employers from putting forward these pleas. It was hitherto assumed that the defence of "common employment" was barred under section 3(d) of the Act. But, in a recent case, the Privy Council has held that the scope of section 3(d) is still limited and that the defence of "common employment" is still available to the employer. The decision of the Privy Council is due mainly to ambiguity in the language of clause (d). The Bill seeks to remove that defect.

The amendment provides that where personal injury is caused to a workman by reason of the act or omission of any person in the service of the employer done or made (i) in the normal performance of the duties of that person; or (ii) in obedience to any rule or bye-law of the employer (not being a rule or bye-law which is required by or under any law for the time being in force to be approved by any authority and which has been so approved); or (iii) in obedience to particular instructions given by any other person to whom the employer has delegated authority in that behalf, a suit for damages shall

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not fail by reason only of the fact, that the workman was at the time of the injury, in the service of the employer.

(The Gazette of India, Part II-Section 2, dated 18 November 1950, page 358).

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Employees' State Insurance Act, 1948:
Enforcement.

By a notification dated 2 December 1950, the Government of India has appointed 1 December 1950, as the date on which the provisions of chapters I, II, III, VII, VIII and sections 44 and 45 of Chapter IV of the Employees' State Insurance Act, 1948, shall come into force in the States of Himachal Pradesh, Bilaspur, Kutch, Bhopal, Tripura, Vindhya Pradesh and Manipur.

(Notification No.S.R.O.997 dated 2 December 1950; The Gazette of India, Part II-Section 3 dated 2 December 1950, page 1027).

Madras: Draft Employees' State Insurance Courts
Rules, 1950.

In exercise of the powers conferred under section 96 of the Employees' State Insurance Act, 1948, the Government of Madras has published the draft of the Madras Employees' Insurance Courts Rules, 1950. The rules, which extend to those scheduled areas to which the Act has been or may hereafter be applied under the constitution, inter alia, relate to the constitution of Employees' Insurance Courts, conditions of service of judges, administrative ~~em~~ control, procedure and execution of orders, costs, decrees, etc.

The draft will be taken into consideration after 5 February 1951.

(Rules Supplement to Part I of the Fort St. George Gazette, dated 12 December 1950, pages 505-516).

Mysore: Working of the Workmen's Compensation Act, during the Year 1949-1950.

Number of Accidents.- During the year 1949-50, there were in all 5,320 cases of injuries by accident and industrial diseases as against 3,176 cases during the previous year, in respect of which compensation was paid under the Mysore Workmen's Compensation Act by employers of labour. Out of these, as usual, the Kolar Gold Mining Companies exclusively have recorded the largest number of cases, viz., 4,708 as against 2,592 in the previous year.

Amount paid as compensation.- A sum amounting to 369,574 rupees 8 annas was paid as compensation under the Workmen's Compensation Act as against 255,700 rupees 3 annas and 6 pies in the previous year. The Gold Mining Companies shared most of the burden to the extent of 331,918 rupees 4 annas, Industrial concerns in Bangalore District 15,318 rupees 7 annas, Shimoga District 10,671 rupees, Mysore District 5,197 rupees 4 annas and the other concerns in the rest of the State 6,470 rupees.

The average amount of compensation paid during the year in respect of each fatal accident was 1721.1 rupees, permanent disablement was 994.8 rupees and temporary disablement was 19.3 rupees, the corresponding figures for the previous year being 1646.3 rupees, 969.7 rupees, and 18.6 rupees respectively.

The following table shows the number of accidents and industrial diseases resulting in death, permanent disablement and temporary disablement and the amount of compensation paid:-

	Total number.	Compensation amount.		
		Rs.	As.	P.
<u>Accidents:-</u>				
Fatal	56	88,004	8	0
Permanent disablement.	49	38,728	3	0
Temporary disablement.	5085	98,378	7	0
Total	5190			
<u>Industrial diseases:-</u>				
<u>(Silicosis)</u>				
Deaths	4	10,000	0	0
Permanent disablement.	126	134,363	13	0
Total.	5320	369,574	15	0

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Proceedings before Courts.— There were 38 cases pending disposal in the Courts of the Commissioners for Workmen's Compensation at the beginning of the year under report. During the year 1949-50, the number of cases filed was 275 of which 61 related to fatal accidents, 78 to non-fatal and 136 to memorandum of agreements as against 209 cases in the previous year (58 fatal, 25 non-fatal and 126 memorandum of agreements). The largest number of cases, viz., 125 was filed in the Court of the Commissioner of Workmen's Compensation, Kolar District, Champion Reefs. The total number of cases for disposal during the year was 313 including the cases pending at the commencement (fatal 18, non-fatal 14 and memorandum of agreements 6) of which 206 cases were disposed of (fatal 44, non-fatal 20 and memorandum of agreements 142).

A sum of 44,656 rupees was pending distribution at the commencement of the year 1949-50 and the sum deposited in the Courts of Commissioners for Workmen's Compensation during the year amounted to 75,846 rupees which totalled the amount for distribution during the year to 120,502 rupees. The total amount distributed during the year was 46,540 rupees leaving a balance of 73,962 rupees pending distribution at the end of the year.

(The Mysore Gazette, Part I, dated
7 December 1950, pages 172-174).

Himachal Pradesh: Draft Workmen's Compensation
Rules published.

The Chief Commissioner, Himachal Pradesh has published the draft Himachal Pradesh Workmen's Compensation Rules, relating inter alia, to the review of half-monthly payments or payable under the Act and commutation of such payments, deposits of compensation by employer, reports of accidents and medical examination and the procedure to be followed by the Commissioners of compensation in the disposal of cases. The draft will be taken into consideration after 1 April 1951.

(The Gazette of India, Part III-Section 3,
dated 16 December 1950, pages 784-793).

85. Benefits Organised or Paid by Employers.

India - December 1950.

West Bengal: Draft Maternity Benefit Tea Estates Rules.

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By a notification dated 3 November 1950, the Government of West Bengal has published the draft of the West Bengal Maternity Benefit (Tea Estates) Rules, 1950, which it proposes to make under section 16 of the West Bengal Maternity Benefit (Tea Estates) Act, 1948. The rules relate to, among other matters, the muster roll of women workers to be maintained by employers, inspections, powers of inspectors, methods of payment of benefit, and appeals. The draft will be taken into consideration after 31 December 1950.

(The Calcutta Gazette, Part I, dated 16 November 1950, pages 2297-2301).

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CHAPTER 9. LIVING STANDARDS.

INDIA - DECEMBER 1950.

92. Housing.

Madhya Pradesh: Housing Board Act, 1950
(No. XLIII of 1950).

The Madhya Pradesh Housing Board Bill (vide page 75 of the report of this Office for March 1950) as passed by the Legislature, received the assent of the Governor on 10 November 1950 and has been gazetted as Act No. XLIII of 1950. The Act provides for the setting up of a housing board for undertaking labour housing schemes.

(The Madhya Pradesh Gazette,
Extraordinary, dated 20 November,
1950, pages 1247-1260)

95. Social Conditions.

India - December 1950.

4th Annual Session of Indian Conference of
Social Work, Jamshedpur, 22 December, 1950:
Presidential Address.

The fourth session of the Indian Conference of Social Work opened at Jamshedpur on 22 December, 1950. Dr. Jivraj Mehta, Minister for Public Works, Government of Bombay, ~~XXXXX~~ presided. The conference was inaugurated by Dr. Anugraha Narain Sinha, Labour Minister, Government of Bihar.

Presidential address: Value of private work stressed. - Dr. Mehta, in his presidential address, said that the main function of social work was to make the individual independent and enable him to help others and himself. Dr. Mehta referred to the functions of the State in rendering social work and warned at the same time of the dangers that Governmental efforts might lead to. By providing a number of services, the State usurped the loyalty of the individuals to his family and created a strong State and a weak family. Through generous assistance, it ~~XXXXX~~ might make the individual ~~XXXXX~~ thoroughly dependent on the State. Because it exercised such an important influence over the lives of individuals, there was also the danger of unscrupulous individuals or groups utilising social suffering as a fit ground for political exploitation.

An ideally planned society was a prison and led to a complete enslavement of the individual. It was possible to infuse democratic parliamentary control in a planned society, thus fostering individualism and not slavery. Social work was no more looked upon as charity. It was now being developed into social welfare. To-day, the focus of governance had shifted from the preservation of law and order to the welfare of the individual, the family and the community. Four tendencies were to-day manifesting themselves towards a better society: First was the ~~XXXXX~~ movement for prevention of human misery through legislation and education. Secondly, there was the tendency to deal with certain contingencies and needs on an insurance or community-service basis. The third was the need for ~~xx~~ generous and varied schemes of relief for those who were incapable of meeting the demands of self-maintenance and welfare. Lastly, there was the tendency for a development of comprehensive standards and sound methods of social treatment. Most human institutions, because of the purely technical and professional manner in which they had come to be administered, were acting

as obstacles to the very purpose which they sought to serve. If this was to be corrected, it was necessary for social workers to divert themselves from the attitude of "vested interests". Social work had a direct emotional appeal and, if the technique of diplomacy was wedded to social work in external spheres, it might become a dangerous weapon in the hands of unscrupulous politicians who might utilise social service as a basis for establishing direct contact with the people and institutions of another country. But widely ~~planned~~^{planned} social work could be useful in developing understanding and goodwill between nations.

Dealing with the future of social work in India, Dr. Mehta stated that Indian Universities were taking an increasing interest in this problem of national importance. Many universities had ^{hitherto} taken the erroneous view that social work was "an unfamiliar hybrid occupation" and considered that acceptance of unknown professions might affect their reputation adversely. Universities were the best ~~best~~ training centres for social work because of their emphasis on the right attitude of mind towards society and human progress.

Dr. Mehta expressed concern at the inadequate stress that was being laid on the teaching of Indian social philosophy and the history of India's social development in Indian schools of social work. Neglect of this subject would degrade social work into a second-rate occupation. University control while limiting the initiative and freedom to experiment to an extent, was the guarantee against the real danger of political or other forms of propaganda.

Referring to rural social work, Dr. Mehta said that urbanisation had been the cause of retardation in an agricultural economy. "We had pinned our faith on co-operative economy as a challenge to the improved standards of living and as an answer to all the conflicting schemes which create disharmony in our socio-economic structure. India's aim is to make the country a welfare State, with the entire State machinery geared up to achieve that end".

Dr. Mehta suggested, for the time being, that all social welfare departments of the Government should be merged into a new department under trained and qualified leadership, thus paving the way for the more efficient functioning of the social services.

Dr. Mehta defined social work as an effort to bring the resources of the community together and help handicapped persons in order to rehabilitate them. "In India, we have to deal with a woefully low national productivity and malnutrition. With our vast manpower we can easily usher in a period of economic prosperity. Until our production reaches a peak level,

it will be necessary to limit our population. Family-planning should form the basis of raising the standard of living. Social work in India must broaden ~~the~~ its activities, from curative to preventive, and concentrate on the welfare of all the members of the community, irrespective of the fact whether they are handicapped or not".

(The Hindu, 24-12-1950).

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

INDIA - DECEMBER 1950.

Living Standards

Report on the Working of the Co-operative Societies Act in Orissa for the year ending the 30th June 1947: Superintendent, Orissa Government Press, Cuttack, 1950, pp.31 x XXIV, Price Rs 1-11-6.
