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Industrial and Labour Development in ~~January 1952~~

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

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CHAPTER 1. INTERNATIONAL LABOUR ORGANISATION.

INDIA - JANUARY 1952.

11. Political Situation and Administrative Action.

India holds First General Elections Under
New Constitution.

India is now holding the first General Elections under the Constitution on the basis of adult franchise.

Explaining the magnitude of the elections, the Prime Minister of India, in a ~~recent~~ recent broadcast to the nation, said that altogether there were 3,293 constituencies all over India. These ~~included~~ included constituencies for Parliament, that is, for the House of the People and the Council of States, and for the Legislative Assemblies and Councils in the States. Altogether 4,412 representatives are to be chosen for these various legislatures. The number of voters on the electoral rolls are about 176,600,000. The Prime Minister added that the estimated cost of these elections, both for the Central Government and the State Governments, was approximately 100 million rupees.

Results of the elections have so far been announced for the assemblies for two Part 'B' States and three Part 'C' States. In Bombay the result of one out of 315 seats is still to be announced. The various party positions in these States are given in the table below. A notable feature of the ~~elections~~ elections is that polling is going on in an atmosphere of calm and tranquility. It may also be mentioned that, generally speaking, the rural population is showing a lively interest in the elections.

1. For text of broadcast see 'Madras Information', Vol.V, No.12, December 1951.

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Party Position in Assemblies and Electoral Colleges .

States and total number of seats.	Indian National Congress	Socialist Party	Kishan Mazdoor Praja Party.	Communist and allies.	Independents.	Other Parties
<u>Part A States</u>						
Bombay - 315 [*]	269	8	-	1	17	19
<u>Part B States</u>						
Hyderabad - 175	93	11	-	42	14	15
Travancore-Cochin - 108	44	12	-	32	11	9
<u>Part C States</u>						
Goorg - 24	15	9	-	-	9	6
Delhi - 48	39	2	-	-	4	3
Himachal Pradesh - 36	24	-	3	-	7	2
<u>Electoral Colleges</u>						
Kutch - 30	28	-	-	-	1	1

* The result of one seat not yet announced.

1. Source: The Hindustan Times, New Delhi, Dated 1-2-1952 .

Chapter 2. International and National Organisations.

25. Wage-Earners' Organisations.

India - January 1952.

Working of the Trade Unions Act in Madras during 1950-51.

Number of unions.- According to the report on the working of the Indian Trade Unions Act, 1926, in the State of Madras during the year ending 31 March 1951, there were 593 unions on the register at the beginning of the year. One hundred and seventy-four unions were registered under the Act during the year and the registration of 187 unions was cancelled. The total number of unions registered since the commencement of the Act on 1 June 1927 to 31 March 1951, was 1,248 of which 580 were on the register at the end of the year under report.

Two hundred and seventy-six unions out of 580 unions submitted the returns.

Membership.- The total membership of the registered unions at the end of the year was 174,608 as against 316,274 for the previous year.

Agricultural unions.- The number of agricultural unions at the end of the year was six. Only four unions submitted the returns for 1950-51. The total number of members of these unions at the end of the year was 1,354.

Assets.- The balance in the General Fund at the end of the year was 433,225 rupees as against 385,455 rupees for the previous year.

One hundred and nine ^{unions} unions availed themselves of the concession of the free official audit as against 97 in the previous year.

(The report on the working of the Act for the year 1949-50 was summarised at pages 14-15 of the report of this Office for February 1951).

(The Government of Madras Development Department G.O.No.3987 dated 29 August, 1951).

Mysore: Mysore Trade Unions Regulations, 1951.

The draft Mysore Trade Union Regulations, 1951 (vide page 18 of the report of this Office for August 1951) have been approved and gazetted on 13 December 1951. The rules prescribe inter alia, the procedure for the registration of trade unions, the transfer of registration of unions from one State to another and the cancellation or withdrawal of registration of trade unions, the manner in which the accounts of registered trade unions are to be audited and the conditions subject to which inspection of documents are to be allowed.

(The Mysore Gazette, Part IV-Section 2c, 13 December 1951, pages 1-15).

Travancore-Cochin: Draft Travancore-Cochin Trade Unions Regulations, 1952.

The Government of Travancore-Cochin published on 18 December 1951 the draft Travancore-Cochin Trade Unions Regulations, 1952, proposed to be made in exercise of the powers conferred by the Trade Unions Act, 1926 (Central Act XVI of 1926). The regulations prescribe, inter alia, the manner in which trade unions shall be registered and the fees payable on registration, the procedure for the transfer of registration in the case of any registered trade union which has changed its head office from one place to another, the procedure of alteration of rules of trade unions, the manner in which, and the qualifications of persons by whom, the accounts of registered trade unions shall be audited, and the procedure for inspection of register and documents. The draft regulations will be taken into consideration by the Government after 5 March 1952.

(Travancore-Cochin Gazette, No.51, Part I, Section IV, 18 December 1951, pages 1-18).

29. International Co-operation.

India - January 1952.

U.S.A. to aid Indian Projects: New Agreement signed at New Delhi.

An agreement providing for Indo-U.S. technical co-operation and American Financial contribution was signed at New Delhi on 5 January 1952, by Mr. Jawaharlal Nehru, Prime Minister and Mr. Chester Bowles, the U.S. Ambassador to India.

Indo-American Technical Co-operation Fund.- The American assistance available under the agreement will be used in accelerating the work on development projects, especially community development schemes and those encouraging co-operative endeavour.

The USA has undertaken to contribute \$50 million (about 250 million rupees) by 30 June 1952, which will go into the formation of an Indo-American Technical Co-operation Fund. With the Indian Government's contributions in rupees, the total amount available for the programme to be financed by the Fund will be over \$100 million or about 500 million rupees.

The projects listed in the programme will be co-ordinated with the five-year national plan. They will mainly be selected from those intended to increase the efficiency of agriculture with the primary object of augmenting the country's food production. In the selection, greater emphasis will be laid on community development. Establishment of about 50 rural-urban development areas, each consisting of 300 villages with a total population of 200,000, is contemplated. Most of these projects will be financed through loans out of the fund. As and when the money is realised, it will be used for new projects.

The fund will be administered by representatives of both Governments. Mr. Clifford Willson, Director of the U.S. Technical Co-operation Administration in India, will be the nominee of the U.S. Government, while India's nominee will be an officer of the Finance Ministry. Mr. Willson will work under the general supervision of the U.S. Ambassador in India.

Indian Central Committee.- The agreement provides for the creation of an Indian Central Committee to determine the policies and supervise the work on the projects undertaken.

The obligations assumed by the U.S. Government under the agreement will be performed through its Technical Co-operation Administration which, among other things, will supply a field party of specialists to collaborate in executing the programme for India.

In addition to the money deposited in the Fund, the USA will bear the expenses of all technical experts provided by her, the tuition and other expenses of Indians whose training abroad is arranged by her, as well as the costs of technical assistance provided by the U.S. Government through contract with private agencies.

The agreement, consisting of 10 articles, comes into force immediately. Already forty American Experts, headed by Mr. Clifford Willson who has been designated Director of the U.S. Technical Co-operation Administration, have arrived in India. The previous Indo-U.S. technical aid pact under President Truman's Point-Four Programme will merge in the new agreement which is designed to play a much wider role.

(A copy of the text of the agreement was forwarded to Geneva under this Office Minute No.F.21/171/52, dated 17 January, 1952).

(The Statesman, 6 and 20-1-1952).

Burma to join Colombo Plan.

On 2 January 1952 Thakin Nu, Prime Minister of Burma, announced at a Press Conference at Rangoon that the Government of Burma has accepted United Kingdom's recent invitation to join the Colombo Plan.

(The Statesman, 3-1-1952).

1. C.O. pages 28-32 of the Report of this Office for December 1950.

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CHAPTER 3. ECONOMIC QUESTIONS.

INDIA - JANUARY 1952.

31. General Economic Situation.

Review of Industrial Output in India during
1951: Marked Rise in Textiles.

Increased industrial production, a possible favourable balance of trade, a slight decline in price levels, and stringent money market conditions were the highlights of the economy of India in 1951.

The year in retrospect, however, shows no improvement on the food front where there has been no increase either on the production side or procurement side.

Industrial production, according to preliminary estimate, shows a steady upward trend with an average monthly increase of about 20 per cent over 1946 figures. In the first half of 1951, nearly 40 major industries, including steel, textiles, jute, cement, paper and sugar recorded considerable increase in production ~~and~~ despite shortage of raw material and their high costs.

During that period, cloth and yarn production amounted to 2,014 million yards and 631 million pounds as against 1,900 million yards and 605 million pounds for the same period in 1950. For the whole year of 1951, production of mill cloth is likely to exceed 4,000 million yards, registering an increase of over 400 million yards over the previous year's production. With the curtailment in the export quota for the first half of 1952 to 250 million yards and with the expected increase in internal production, a sufficient quantity of cloth may be expected to be available for domestic consumption.

Jute.— Production of jute manufactures was also on the increase throughout the year. In the first half, production amounted to 425,700 tons as against 403,200 tons for the corresponding period in 1950. Output of production of raw jute has also been steadily maintained at about 4.5 million bales and, with the easier flow of Pakistan jute, as evidenced by the fact that the jute mills have increased their working hours, the rising trend is expected to be maintained in the coming year also.

As regards other major industries, the liberalisation of the import policy for the first half of 1952 with regard to iron and steel valves, precision tools etc., is likely to act as an incentive for greater production in the coming year.

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Favourable balance of trade.- According to the Commerce Minister, Mr. Harekrushna Mahtab, India has for the first time secured a favourable balance of trade in her foreign trade during 1951. In her trade on sea-borne account there has been a large favourable balance, though when her adverse balance on land-borne account is taken into consideration, the picture is not very encouraging. It is provisionally estimated that India's exports during 1951 will amount to about 7,000 million rupees while imports may be short by about 100 million rupees in her trade on sea and air routes. But on landborne trade, she is expected to have a huge adverse balance of trade.

Price index.- While the wholesale price level was on the increase throughout the year, prices of food articles registered a drop of nearly 20 points or about four per cent within the last one year. The upward trend in the price level and consequently in the cost of living was largely due to the increase in the price of finished goods and industrial raw materials. So far as food articles are concerned, the index was 401.7 last September as against 423.6 in September 1950. Yet another relieving feature of the price index during 1951 was that the rate of increase has been much slower than in the previous year, and there was a steady decline in the general price index from its peak of about 450 points in April to 440 towards the close of the year.

Revision of bank rate.- On the financial side, the increase in the bank rate from three per cent to 3.5 per cent at the commencement of the busy season brought about stringent conditions in the money market, coupled with the absence of support to securities from the Reserve Bank. The increase in the bank rate marked a departure from the cheap money policy followed by the Government of India. The effect of the increase on the price level was, however, not felt in 1951 since it came towards the end of the year.

Food imports.- India's food imports during 1951 far exceeded expectations while production and procurement were less than in the previous year. Total import of food-grains during 1951 was estimated at about 4.5 million tons while internal production amounted to only 41 million tons. Procurement during the year was also stated to be about 600,000 tons less than during the last year. During 1952 also India is expected to import not less than 3.5 million tons of food-grains unless there is a phenomenal increase in production and procurement.

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Fifth Annual Session of Indian Commerce
Conference, Madras, 30 and 31 December
1951: Need for Clear Policy Statement
stressed.

The fifth annual session of the All-India Commerce Conference was held at Madras on 30 and 31 December 1951. Dr. R.K. Shanmukham Chetty, Vice-Chancellor of the Annamalai University and a former Union Finance Minister, presided. The conference discussed various papers relating to rationalisation of industry, taxation of income, foreign exchange problems, and depreciating in accounting. It was attended by delegates from all over India. Mr. Harekrushna Mahtab, Union Minister for Commerce and Industry, who was to have inaugurated the Conference, could not be present but sent an address for the occasion. Dr. A. Lakshmanaswami Mudaliar, Vice-Chancellor of the Madras University, welcomed the delegates on behalf of the University.

Dr. Mudaliar's address.- Dr. Mudaliar, in his welcome address, said that the close interest between universities and trade and commerce and the business life of the country was of comparatively recent growth even in Western countries. So far as conditions in India were concerned, it could not be said that there had been that perfect understanding either in academic circles or in business organisations of the part that commercial education could play and the contribution that the universities could make in the matter of developing trade and commerce. Trade formed part of commerce, and as commerce expanded, the need for certain specialised services made itself felt. Commerce covered a much wider field than that of buying and selling. Education for commerce should, therefore, embrace educational facilities for those preparing for or engaged in business occupations of every kind, professional or otherwise, from office ~~working~~ routine such as typewriting and shorthand to positions of greatest responsibility.

It was only within the last two decades that any interest had been taken by Indian universities with faculties of commerce which trained the students for the B. Com. and the B.Com(Hons) degrees; ten of them had provision for the M. Com. degree and also gave facilities for research in this faculty. The Madras University had now undertaken to provide instruction in commerce. Co-operation was one of the subjects of study by the Honours course and it was proposed from the next academic year that Income-tax should be another of the special subjects. Yet there was a wide field for specialisation in this branch of learning. There were in fact different grades of commercial ~~for~~ education which were necessary to provide facilities for those interested in trade and

commerce and industry. There should be educational facilities for three distinct groups of persons engaged in commerce in order to meet all requirements, namely, persons engaged in the minor routine operations of commerce, those who aspired to more responsible positions and those whose ultimate requirements were for professional training or for advanced education in the special technique and processes of commerce. Dr. Mudaliar, ~~applied~~ appealed to the Chambers of Commerce and to commercial and industrial magnates to see how far they could co-operate, advise and assist universities and commerce colleges with a view to improving the standards of educational training and to utilising in the interests not only of the young men who passed out of the colleges but even more of the business organisations, the talents and training that would be available. It was ~~being carried on~~ true that without the assistance of trained personnel a great deal of trade and commerce was being carried on and many big business houses had established themselves in this country with trade contacts in several parts of the world. But with the growth of keen competition and in the race for survival, India would soon find herself in a most difficult position if there was not behind ~~of big~~ business and trade and commerce a bureau of intelligence and of expert knowledge to advise both industry and commerce as to how, in the interests of the country and not in the interests of any particular concern, industry, trade and commerce must be protected, safeguarded and promoted. It was here that higher research could play a great part. It was unfortunate that so far neither big business nor the Chambers of Commerce, much less the State, had paid much attention to these factors. In fact, it was only during the last World War subsequent to 1942 that the Government of India realised the need for an enlarged Department of Statistics for accurate statistical data being available in regard to many aspects of trade and commerce. But whatever may be the attitude of the State, those interested in business organisations and in commerce had got to set for themselves the ideal of getting the best advice on the subject and expert knowledge in various branches of industry, trade and commerce.

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Labour legislation.- Dr. Mudaliar pointed out that many legislative enactments had been passed within the last five years affecting trade, commerce and industry. The various legislative measures calculated to promote the interests of labour, good in themselves perhaps, had been passed without an all-round perception of whether the country would be led in this international struggle for survival. With development of democracy based upon adult suffrage, legislatures were likely, if not properly guided, to enact many more such measures, the net result of which might be paralysis of trade and commerce and directly and indirectly the people would have to suffer. India had been copying with much greater alacrity than many

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an advanced industrial nation all the Acts that had been passed in any country and all the resolutions adopted at international labour conferences for regulating, controlling and directing industry, trade and commerce, The Shop Assistants Act, the Industrial Disputes Act, the Minimum Wages Act, the recent Ordinance in regard to provident fund for labour, and many other Acts of a similar nature had been passed by the Governments of the day in the States and at the Centre, but the remarkable fact yet remained that the greatest employer of labour the Government, whether in the States or at the Centre, had exempted itself from the operation of most of these laws. Never had there been a greater divergence between precept and practice. But this was not the only danger. It was unfortunate that not infrequently those at the helm of affairs, with little or no knowledge of prevailing conditions, passed measures which in effect throttled the development of industries, disorganised trade and led to confusion in commercial circles. One had only to survey the series of controls and decontrols and the many changing licences that had been given to realise that at present the country was passing through a vicissitude of unfortunate trends which would bring about a great deal of economic strain to the average man; and all this was done in the belief that, if only capitalism was controlled, a new millennium would dawn on earth. Dr. Mudaliar emphasised that it was here that the universities and the technical colleges could contribute materially to an academic study of the whole question and to a correct appreciation of the trend of various legislative enactments in regard to trade and commerce. When people talked of nationalisation as the greatest panacea for all evils, it was necessary and desirable that a scientific approach to that question should be available and the facts of the case thrashed out by competent educated people.

Mr. Mahtab's message.— Mr. Harekrushna Mahtab, Minister for Commerce and Industry, in his inaugural message, said that by force of circumstances, India, in spite of her prevailing conditions, had ceased to be an agricultural country ~~as it~~ was, only three or four years ago. India was no longer an exporter of raw materials and importer of finished goods. India's main import today was agricultural products from abroad for which she exported manufactured goods out ~~of~~ of whatever industries she had got. For the most essential commodities like food and clothing, India imported foodgrains and cotton from abroad to the extent of 3000 million rupees and the exchange was found from the export of jute goods and cloth. Mr. Mahtab considered this a fundamental change in the economic position of India. India was perforce going the way of an industrial country. The problem facing the country was whether India with such a huge population could depend on industrialisation to feed her people. It was said that India's resources were enormous, but if it were compared with the population

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of India, one would clearly see that the resources per unit of population were much less in India than in countries like the U.S.A., the U.S.S.R., and Australia. The problem, therefore, was not only to develop the resources to the fullest extent, but also to create new resources by developing the labour of the country. It was a stupendous task, but it had to be carried out with courage and determination. Mr. Mahtab hoped that when ~~political~~ political conditions in the country were stabilised, due attention would be paid to the systematic building up of the country on the basis of the change which had taken place.

Presidential address.- In the course of his presidential address Dr. Shanmukham Chetty referred to the role of universities in supplying men with specialised qualifications. He said that while the universities in the U.S.A. and Europe had made notable progress in developing collegiate business education, Indian Universities had only made tardy beginning in this direction. The general attitude of India's businessmen to university education was largely responsible for this. There was no doubt that many of Indian business magnates were not products of the universities. With hereditary aptitude and shrewd commonsense, they had successfully built up large business houses and enterprises. Nevertheless, the highly specialised character of modern business and its worldwide ramifications required an army of well-trained executives and workers of various categories. The organisation of markets, the art of salesmanship and the technique of secretarial work could be mastered only by men and women who had undergone special training in universities and colleges.

The need for such trained personnel was now apparent in Government service as well. Modern Governments required a large army of men with specialised qualifications. The control and management of the public utility concerns, the nationalised industries, the state trading concerns and the mechanism of various controls required public servants with specialised training. If today many of the controls were ineffective and many of the State enterprises were failures, it was because the Government had relied in this work on its civil servants who had not been trained to undertake ~~of this~~ the responsibilities involved in the conduct of this work. It is up to the universities to supply the right type of public servants specially equipped for this new field of State activity.

Government's failure to solve economic problem.- Referring to the economic situation at the time of independence, Dr. Chetty said that no doubt the Government was faced with certain adverse factors. The partition of the country which broke its economic unity gave rise to new and difficult problems, especially in the supply of certain essential raw materials like ~~raw~~ cotton and jute. The economic

condition of the world was anything but rosy in the post-war period. In spite of these adverse conditions, there were certain favourable factors. The British rulers had left behind a sound administrative system under the charge of an efficient Civil Service and also a well-trained and loyal army. In spite of the sudden withdrawal of the ruling power, India enjoyed a political and social stability which existed only in a few countries in the post-war world. Notwithstanding her backward economy, India had an industrial organisation of considerable magnitude. During the war years she had completely liquidated her foreign debt. The internal debt position and the overall financial position were intrinsically sound. Over and above all these the British administration had left a comfortable cash balance of 3100 million rupees in the treasury. These were the factors on the credit and debit sides. On the whole it must be stated that the general situation was favourable to the Government in its task ~~for~~ of reconstruction and development.

The problems that faced the Government were three-fold; firstly, the problem of checking inflation and increasing production; secondly, the problem of capital formation and the mobilisation of domestic savings; and thirdly, the problem of attracting foreign capital. These problems involved both domestic and foreign policies. In the tackling of all the problems, unfortunately, the rulers of the country were guided by their own preconceived notions, inherited prejudices and rosy ideologies.

Taking these problems in their order, Dr. Chetty said that inflation was an aftermath of war. After six years of the termination of war, the inflationary pressure in India, far from abating, had gained strength. No doubt, inflation had now become a global problem. It must, however, be noted that in the U.K. and U.S.A. the price level had just exceeded the two-hundred mark; while in India it had exceeded the four-hundred mark. In December 1949, the index number of wholesale prices in India was 381; in December 1950, it rose to 412; and in November 1951, it came to 435. He said that he could not see in sight any factor which would effectively arrest the rise in prices. The rearmament programme of U.S.A. and Europe had the effect of curtailing the export of capital goods to underdeveloped countries like India. This combined with the inelastic supply of domestic consumers' goods in India, would aggravate the rise in prices. It was well known that inflation in India was not due to monetary causes only. The various attempts made by the Government from time to time in curtailing credit and reducing capital expenditure had not produced any marked change in the price level. The recent rise in the Bank rate in England was an evidence of the fact that orthodox methods of credit control had come into favour. The rise in the Bank rate in India was the result not merely of the

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necessity for credit control, but the need for making the Bank rate more real in the light of the prevailing interest rates.

Fight against inflation.- Dr. Chetty said that the real problem to be faced in the fight against inflation was the problem of increasing production on a large scale. No amount of credit control would bring down the price level unless it was accompanied by an all-round and substantial increase in production. It was in this sphere that the policy of the Government had failed lamentably. Industrial production in some European countries had surpassed by 1950 the 1938 level by an average of more than 20 per cent. In the United Kingdom the rise in industrial production in 1950 over 1938 level had been of the order of 50 per cent. In India, in important industries like cotton yarn, piece goods, jute manufactures and sugar, production in 1950 was below the 1938 level. In 1938 the production of cotton yarn was 1,289 million pounds whereas in 1950 it was 1,174 million pounds. In cotton piecegoods, production had come down from 4,306 million yards in 1938 to 3,665 million yards in 1950. In jute manufactures the production had fallen from 1,206,000 tons to 836,000 tons. In sugar, production had fallen down from 99.4 million tons to 97.6 million tons. Dr. Chetty added that the ~~expansion~~ expansion in industrial production in Europe had been due in a ~~big~~ large measure to the flow of external aid in the shape of Marshall Aid on the one hand, and on the other, to the tradition of industrialism which has created the necessary milieu for the expansion of industries. India did not enjoy these advantages and in addition to this factor, the dislocation of the internal economy due to partition had resulted in serious shortage of some essential raw materials. The expansion of the existing industries as well as the starting of new ones had been hampered by the difficulty of getting capital goods from abroad and by the higher prices at which they had to be obtained. In spite of these handicaps, the absence of a consistent economic policy on the part of the Government, the ideology of nationalisation and the attitude of labour to industry had been responsible for retarding industrial production. He pointed out that the absence of a consistent economic policy was well illustrated by the Central and States Ministers from time to time about the attitude of the Government towards private enterprise. As a result of this uncertainty, the confidence of both the management and the investor had been completely shaken.

*Conflicting views
expressed by the f*

Industrial policy.- Dr. Chetty said that political considerations had played a very considerable part in decisions relating to industry. For example, he claimed that the recent ordinance relating to the institution of a compulsory provident fund for workers was a striking example of the play of political considerations in shaping industrial policy..

Dr. Chetty said that apart from the policy of indecision, the attitude of the party in power towards private enterprise in industry had very seriously affected the expansion of industry. The party was committed to a policy of ~~the~~ nationalisation of industries without realising the full implications of such a policy and its applicability to Indian conditions. Even if nationalisation was considered to be in the interest of the country, the fact remained that India had not the resources in money or personnel required for the adoption of such a policy. The impression had been created in the minds of the investor that the present Governments looked upon private enterprise with hostility. Notwithstanding repeated assurances by individual Ministers that private enterprise would be given a large scope for ~~xxxxx~~ expansion, there had not been so far an unambiguous and clear cut enunciation of policy which would inspire confidence in the investor and the industry at large.

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Attitude of labour.- Dr. Chetty stated that the hostile attitude of organised labour towards industry in general was another serious factor which had retarded production. While it was not denied that as a civilised nation India must provide satisfactory working conditions for labour and that she should pay a living wage, the demands of labour were mounting every day without regard to the fact whether the industry was in a position to bear the burdens involved in the demands. Organised industry was undoubtedly exploited for political considerations without due regard to the welfare of industry. Sections of industrial labour were directly under the control of the two important organised political parties, the Congress and the Socialist Party. The Government had given open encouragement to the attitude of labour and its leaders. It had become almost impossible to maintain any discipline amongst workers. It was often stated by political leaders that if industry was owned and controlled by the State, the attitude of labour would change for the better and the fullest co-operation would be forthcoming. This oft repeated statement was completely disproved by the attitude of labour employed in the railways of India. India's railways had been completely nationalised. Notwithstanding this, it was in the railways that the demand of labour had been pitched at a maximum without regard to the earning capacity of the railways.

Food shortage.- Dr. Chetty said that if the progress in industrial production was in such a sad state, the production in agriculture was equally bad, if not worse. Both in the 'grow more food' campaign and in the procurement of food grains for rationing, the record of the Government was one of failure. If the agriculturist had failed to

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respond to the call of increased production and if he had failed to co-operate wholeheartedly in the scheme of procurement of foodgrains, these were mainly due to the fact that the Government had failed to get the moral support of the agriculturists.

Discussing recent trends in socialist thought, Dr. Chetty said that a balanced combination of State ownership and private enterprises was the characteristic feature of the economies of most of the advanced countries in the world. It was worthwhile for the universities to study this matter and give a lead in shaping public thinking and opinion.

Capital formation.- Referring to the question of capital formation and the mobilisation of the surplus savings of the nation, Dr. Chetty said that the Interim Government's budget in 1947 had given a hard blow to the capital structure of the country. Since then the tax burden had crippled the capacity of industry to save and re-invest. He agreed that a high level of direct taxation was inevitable in modern economy. But it presupposed a high level of production and employment. Heavy direct taxation during the early stages of industrial development would hamper and retard industrial expansion. That was exactly what had happened in India during the last five years. A re-examination of taxation policy in relation to industrial development was urgently called for.

The loss of confidence ~~was~~ in Government securities was the direct outcome of the uncertain policies and the ideological experiments. Since independence the response of the public to Government loans had been very poor. It was due partly to the considerable reductions in the savings of the people and partly to nervousness about the future prospects of private industry. A full and steady flow of investments in Government securities and private enterprise was a condition precedent to the success of all development schemes.

Foreign capital.- Dr. Chetty said that in addition to a steady flow of ~~domestic~~ domestic capital, a large flow of foreign capital was indispensable for the economic development of a country in its early stages. No undeveloped or under-developed country could afford to ignore foreign capital. Domestic policies which had frightened the investor at home and foreign policies which had roused misgivings abroad had combined to keep foreign capital away from India. He emphasised the urgent need for creating the necessary climate for attracting the foreign investor.

The Five-Year Plan.- As regards the Five-Year Plan, Dr. Chetty said that he had to make the following criticisms against the plan: (1) The first aim of the planners should have been to correct the

lopsidedness of the economy, i.e., to reduce the demographic pressure on agriculture. The plan did not even make an attempt in this direction. (2) The estimate of expenditure was only in the public sector, even though the major productive activity was in the private sector. (3) The plan was a mere catalogue of schemes and a statement of the intentions of Government. Many of the schemes were those which were already in operation. In this connection he said that the prohibition policy had already crippled the resources of some of the major States. The taxation policy had already reduced the quantum of savings available for re-investment. The policy of nationalisation had already dried up the sources of investment in private industry. Foreign policy and the attitude towards foreign investor have arrested the flow of foreign capital. With all these serious limitations, the hands of the planners were tied up, and it was no wonder that they could not produce a wider and bolder plan.

(The last meeting of the Conference was summarised at pages 14-15 of the report of this Office for January 1951).

(Summarised from the text of the Presidential Address; The Hindu, 31-12-1951).

34. Economic Planning Control and Development.

India - January 1952.

Creation of Bill Market in India: Reserve Bank's Experimental Scheme.

On 16 January 1952 the Reserve Bank of India announced that the Bank in consultation with representative bankers in Bombay and Calcutta, has evolved a scheme to create a bill market in India. The scheme will be introduced immediately as "an experimental measure" during the current busy season.

The Press Note points out that under the Reserve Bank of India Act the Reserve Bank is empowered to make advances to scheduled Banks against the security of usance promissory notes, or bills drawn on and payable in India and arising out of bona fide commercial or trade transactions bearing two or more good signatures, one of which shall be that of a scheduled bank, and maturing within 90 days from the date of the advance. Under the new scheme advances will be granted to scheduled banks in the form of demand loans on the execution of demand promissory notes supported by usance promissory notes of their constituents. "For this purpose, it would be necessary for scheduled banks to cover at least a portion of the demand promissory notes obtained by them from their constituents in respect of loans, overdrafts and cash credits granted to them into usance promissory notes maturing ~~xxx~~ within 90 days". The Reserve Bank, while extending credit to scheduled banks, will take into consideration not only the nature of the security offered, but also the manner in which the business of the bank is being conducted. It may refuse to ~~xxx~~ accept the bills of any particular scheduled bank without assigning any reason.

The Press Note adds that in order to encourage the rapid development of a bill market, advances to banks for the present will be made at 1/2 per cent below the bank rate. The Reserve Bank, however, reserves the right to raise the rate at its discretion. As a further inducement to banks to create a bill market, half the cost of the stamp duty ~~increased~~ in converting demand bills into time bills will be borne by the Reserve Bank.

As the main object of advances is to relieve seasonal stringency, the minimum limit for an advance which a bank may take from the Reserve Bank at any one time has been provisionally fixed at 2.5 million rupees.

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Aiding Industries in Hyderabad: Finance Corporation to be set up.

The Government of Hyderabad has decided to set up an Industrial Finance Corporation to aid medium-sized industries in the State. The Corporation will have a capital of 10 million rupees which will be held by the State Government, the Reserve Bank of India and the Scheduled Banks. The Corporation will be empowered to increase its income by floating Government-guaranteed bonds and debentures up to five times its capital and receiving long-term deposits from the public.

The Corporation, which is being formed under the Government of India's Industrial Finance Corporation Act, is expected to begin functioning shortly.

The Industrial Trust Fund, floated in 1929 with a capital of 10 million rupees to help the State industries, will continue to discharge its present functions.

(The Statesman, 4-1-1952).

36. Wages.

India - January 1952.

Earnings of Factory Workers during 1949.

According to a note published in the Indian Labour Gazette¹ the total wages of factory workers in Part A States and the centrally administered States of Delhi, Ajmer and Coorg during 1949 was 1,990 million rupees as against 1,690 million rupees during 1948. The average annual earnings of a worker increased to 985.9 rupees as compared to with the revised figure of 883.0 rupees for 1948. There was thus an increase of 11.7 per cent in 1949 over the figure of 1948. These figures are based on annual returns received under the Payment of Wages Act, 1936, which covers all workers including clerical and supervisory staff drawing below 200 rupees per month and employed in factories coming under the Factories Act. There are certain industrial establishments to which the Payment of Wages Act applies but not the Factories Act and these have been excluded in arriving at the figures given in the note. The data relating to railway workshops ~~are~~ have not been included, as the relevant figures are obtained separately and do not relate to the calendar year. It may be mentioned, however, that in 1948-49 about .19 million workers were employed in the railway workshops and the total wages paid to them amounted to 168.6 million rupees. The earnings in the industry groups Food, Drink and Tobacco and Gins and Presses have also been excluded since these industries are mainly seasonal. As the new Factories Act does not distinguish between perennial and seasonal factories, the information received under this Act makes it difficult to demarcate seasonal factories from perennial ones, and the earnings in a few of the seasonal factories for which data were received under the Payment of Wages Act have been included. However, the effect of ~~including these factories~~ this inclusion is trivial as the number of workers involved is very small. It is estimated that in 1949 factories which have thus been excluded on considerations of seasonal working employed 400,000 workers whose wage bill amounted to 165 million rupees.

APPENDIX

1. Indian Labour Gazette, Vol. IX, No. 5, November 1951, pp. 357-363.

Annual earnings in various industries.— The table below gives the average annual earnings of factory workers in the various industries during the period 1939-49. The figure in brackets gives the simple index number of earnings with 1939 as the base. It will be seen that the earnings show a steady rise during the period, having received a sharp momentum during the period 1941-43. There was a further acceleration of the rate of increase during the last three or four years. These remarks apply to individual industries as well. The increasing trend in average earnings since the year 1946 seems to have been maintained in the year 1949. The relative increases in the period 1946-49 may be seen against the trend in the wholesale price index which stood at 297 in 1947, at 386 in 1948 and at 381 in 1949. As another interesting point, it may be stated that industrial disputes decreased from 1,811 in 1947 to 1,259 in 1948 and dropped further to 920 in 1949. It appears that an improvement in the industrial relations contributed not a little to the increase in the average earnings in 1949.

Industry	1939	1940	1941	1943	1944
	Rs.	Rs.	Rs.	Rs.	Rs.
Textiles.....	293.5	302.9	314.0	571.5	633.6
Cotton.....	(100.0)	(103.2)	(107.0)	(194.7)	(215.9)
Jute.....	320.2	325.1	343.6	683.6	772.2
Engineering...	(100.0)	(101.5)	(107.3)	(213.5)	(241.2)
Minerals and Metals.....	230.8	265.9	256.2	355.5	363.2
Chemicals, Dyes, etc.....	(100.0)	(115.2)	(111.0)	(154.0)	(157.4)
Paper and Printing...	263.5	345.0	371.5	529.0	589.8
Wood, Stone and Glass.....	(100.0)	(130.9)	(141.0)	(200.7)	(223.8)
Skins and Hides.	457.2	491.5	476.1	502.1	573.5
Ordnance Factories...	(100.0)	(107.5)	(104.1)	(109.8)	(125.4)
Mints.....	244.8	229.6	238.1	398.0	484.6
Miscellaneous..	(100.0)	(93.8)	(97.3)	(162.6)	(198.0)
All Industries.	332.7	360.3	324.8	414.0	474.1
	(100.0)	(108.3)	(97.6)	(124.4)	(142.5)
	194.2	175.3	199.1	303.1	368.4
	(100.0)	(90.4)	(102.6)	(156.2)	(189.9)
	285.8	327.1	357.9	411.0	532.1
	(100.0)	(114.5)	(125.2)	(143.8)	(186.2)
	561.9	408.5	429.4	527.4	546.8
	(100.0)	(112.9)	(118.7)	(145.7)	(151.1)
	367.4	462.7	491.2	574.4	695.2
	(100.0)	(125.9)	(133.7)	(156.3)	(189.2)
	281.2	261.0	261.2	392.0	513.8
	(100.0)	(92.8)	(92.9)	(139.4)	(182.7)
	287.5	307.7	324.5	525.0	585.5
	(100.0)	(107.0)	(112.9)	(182.6)	(204.0)

TABLE C CONTINUED.....

Industry	1945	1946	1947	1948	1949	Percentage increase in 1949 over 1948
	Rs.	Rs.	Rs.	Rs.	Rs.	
Textile.....	613.7 (208.9)	624.5 (212.8)	771.7 (262.9)	931.9 (317.5)	1055.8 (359.7)	13.3
Cotton.....	723.4 (225.9)	721.8 (225.4)	909.3 (284.0)	1094.4 (341.8)	1192.9 (373.5)	9.0
Jute.....	390.5 (169.2)	425.0 (184.1)	497.6 (215.6)	637.7 (276.3)	798.9 (344.4)	24.7
Engineering.....	653.1 (247.9)	696.1 (264.2)	698.7 (265.2)	879.4 (333.7)	938.1 (356.0)	6.7
Minerals and Metals.....	601.9 (131.6)	599.8 (131.2)	886.2 (193.8)	928.5 (203.1)	1012.3 (221.4)	9.0
Chemicals, Dyes, etc.....	445.2 (181.8)	492.4 (201.1)	592.6 (242.1)	663.8 (271.2)	721.7 (294.8)	8.7
Paper and Printing.....	568.8 (170.1)	638.4 (191.9)	728.5 (219.0)	835.5 (251.1)	911.5 (274.0)	9.1
Wood, Stone and Glass.....	413.6 (213.2)	434.3 (223.6)	495.4 (253.1)	572.0 (294.5)	615.6 (317.0)	7.6
Skins and Hides.....	536.7 (186.8)	558.2 (195.3)	603.9 (211.3)	841.2 (294.3)	889.1 (317.0)	5.7
Ordnance Factories.....	642.8 (177.6)	721.2 (199.3)	755.2 (208.7)	918.0 (253.7)	1128.6 (311.9)	22.9
Mints.....	667.0 (181.6)	858.7 (233.7)	1071.2 (291.6)	1378.2 (375.1)	1437.2 (391.2)	4.3
Miscellaneous.....	503.2 (178.9)	611.8 (217.6)	663.1 (235.8)	797.0 (283.4)	876.7 (311.8)	10.0
All Industries.....	595.8 (207.2)	619.4 (215.4)	737.0 (256.3)	883.0 (307.1)	985.9 (342.9)	11.7

N.B.- The figures for 1943 were not published for want of uniformity in their scope.

Average earnings and cost of living.- The following table shows the ratio of average earnings in 1949 to those in 1939 against a similar ratio in respect of cost of living index number.

State	Earnings	Cost of living index	Centre to which the cost of living index relates.
Assam.....	360.7	*	..
Bihar.....	236.8	415	Jamshedpur
Bombay.....	326.7	292	Bombay
Madhya Pradesh	399	Ahmedabad
Madhya Pradesh.....	..	377	Nagpur
Madras.....	413.1	330	Madras
Orissa.....	325.7	455	Cuttack
Punjab.....	290.1	*	..
Uttar Pradesh.....	421.5	478	Kanpur
West Bengal.....	337.4	348	Calcutta
Ajmer.....	337.2	*	..
Delhi.....	332.4	*	..
* Not Available.			

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In 1949 the index of average earnings for all industries increased by 35.8 as against a corresponding increase of 50.8 in 1948. This year the index number for all industries stood at 342.9 showing that the average annual earning of a worker in 1949 was nearly 3 1/2 times that in 1939. Generally, in the individual industries during 1939-49 the yearly increase in the average earnings relative to the 1939-level of earnings followed the trend shown by 'all-industries' but in certain industries it lagged behind. In Minerals and Metals the average earnings increased rather slowly upto 1946, when there was a sudden spurt but still the relative increase rate is the lowest among the various industry groups. In Paper and Printing the relative increase has been higher and steadier than that in the case of Minerals and Metals, but it still lagged behind the rate of 'all industries'. The relative increase rates in Wood, Stone and Glass, Skins and Hides, Chemicals, Dyes, etc., Engineering, Ordnance Factories and Miscellaneous group, have been slower during the last 3 or 4 years compared to that for all industries. Jute, Mints and Cotton have shown markedly higher relative increases during the last four years. In the case of Mints there was a sharp regular rise in the average earnings from 1945. The relative increase was higher in 1949 than in 1948 in Ordnance Factories, Jute and Minerals and Metals; in others particularly in Mints, it was much less, and hence it is that the relative increase in 1949 was smaller than what it was in 1948. The resultant of the trends noticed here is that in 1949 the average earnings in Cotton, Minerals and Metals, Ordnance Factories and Mints was above the average for all industries; in the remaining it was below. The increase in average earnings in 1949 over those in 1948 in the various industries varied from 4.3 per cent in Mints to 22.9 per cent in Ordnance Factories and 24.7 per cent in Jute Mills. As in previous years, in 1949 the highest average was shown by the Government owned mints. Next in order were Cotton mills and Ordnance Factories. Minerals and Metals, which is mainly dominated by the sub-group of Iron and Steel, also recorded a comparatively high average.

In the cotton mill industry there was an increase of 9 per cent in average annual earnings in 1949 as compared to 20 per cent in the preceding year. There were no major changes in the basic wage level in the industry during the year under review and the higher earnings in 1949 appear to be due mainly to the higher dearness allowances paid with the increase in the cost of living index and the higher rates of bonus for the preceding year but paid during the year. The cost of living indices (base: August 1939 = 100) increased from 288 in 1948 to 292 in 1949 in Bombay, from 333 to 339 in Ahmedabad, from 400 to 410 in Sholapur, from 471 to 478 in Kanpur,

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from 372 to 377 in Nagpur and from 315 to 330 in Madras. The cotton mills in Bombay paid $4\frac{1}{2}$ months' wages as bonus for 1948 as against 3 months' wages for 1947. The mills in Ahmedabad also paid $4\frac{1}{2}$ months' wages as bonus for 1948 as against 20 per cent of wages for 1947. Higher bonuses were paid in Madras and Uttar Pradesh also. In Uttar Pradesh, moreover, the increased wages recommended by the U.P. Labour Enquiry Committee¹ were enforced in December 1948, and the effects on earnings were felt only in 1949. The increases in the earnings in the jute mill industry was due to the increases in wages and allowances granted to the workers in the industry in the various States. The Industrial Tribunal which went into the question of wages of jute mill workers in West Bengal, recommended a minimum basic wage of 26 rupees per month and a dearness allowance of 32 rupees 8 annas per month.² These recommendations were enforced in September 1948. In Bihar also wages and allowances were raised substantially in 1949 and fixed at $6\frac{1}{4}$ per cent below the levels fixed in West Bengal. In the Ordnance Factories, the large increase in average earnings appears to be due partly to increase in dearness allowance and partly to the payment of arrears which accrued to the workers as a result of the recommendations of the Pay Commission from a retrospective date in some of the factories. While no outstanding increase took place in the wage structure in the other industries, the level of earnings increased in all the industries due to higher payments to labour as a result of awards of adjudicators, Industrial Tribunals etc., in individual cases, grant of bonuses and the increasing introduction of incentive methods.

Average annual earnings in different States.-

The table below shows the average annual earnings of ~~markmax~~ workers in the various perennial industries in each State in 1949 together with certain comparative figures.

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1. Government Gazette of the United Provinces; Extraordinary, dated 20 November 1948, pp.1-4; New Delhi Office Report for November 1948, pp.43-47.
 2. The Calcutta Gazette Extraordinary, dated \pm 24 September 1948, pp.813-986; New Delhi Office Report for October 1948, pp.46-47.

	Assam	Bihar	Bombay	Madhya Pradesh	Madras	Orissa
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Textiles.....	284.3	580.7	1308.7	863.1	865.7	189.7
Cotton.....	-	461.6	1340.6	869.8	915.7	151.7
Jute.....	-	615.4	-	727.8	494.6	-
Engineering.....	892.0	964.9	1140.7	1001.7	727.9	460.4
Minerals and Metals.....	1453.1	1232.7	934.1	-	632.6	286.3
Chemicals, Dyes, etc.	909.4	335.9	878.3	325.4	373.8	373.3
Paper and Printing.....	771.1	775.4	1055.5	561.9	641.0	896.0
Wood, Stone and Glass.....	613.3	700.8	709.0	559.5	451.2	342.3
Skins and Hides.....	-	1543.4	776.6	-	492.7	-
Ordnance Factories.....	-	1050.4	953.8	1050.5	1200.8	-
Mints.....	-	-	1050.4	-	-	-
Miscellaneous.....	-	763.2	893.4	379.7	512.6	825.8
All Industries (1949).....	951.1	983.9	1210.1	841.9	726.6	527.0
All Industries (1948).....	795.8	946.2	1141.9	609.2	611.8	612.6
Percentage increase (Plus) or decrease (Minus) in 1949 over 1948.....	x19.5	x4.0	x6.0	x38.2	x18.8	-14.0

	Punjab	Uttar Pradesh	West Bengal	Ajmer	Coorg	Delhi
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Textiles.....	977.6	1077.3	797.7	545.4	-	1071.5
Cotton.....	759.2	1095.5	751.9	545.2	-	1108.7
Jute.....	-	945.0	802.6	-	-	-
Engineering.....	822.0	886.7	850.0	910.6	-	790.4
Minerals and Metals.....	815.7	882.7	785.7	599.3	-	734.1
Chemicals, Dyes, etc.	578.4	770.3	857.4	-	-	766.6
Paper and Printing.....	1002.6	886.5	987.9	480.0	-	1019.2
Wood, Stone and Glass.....	671.8	652.5	676.1	-	-	676.3
Skins and Hides.....	-	1013.6	1121.3	-	-	-
Ordnance Factories.....	1071.9	1082.3	1427.7	-	-	1344.1
Mints.....	-	-	1356.9	-	-	-
Miscellaneous.....	512.2	1079.1	940.3	639.9	417.1	680.1
All Industries (1949).....	858.7	993.0	839.0	552.0	417.1	1028.4
All Industries (1948).....	675.9	887.1	723.9	527.2	467.9	1047.3
Percentage increase (Plus) or decrease (Minus) in 1949 over 1948.....	x27.0	x11.9	x15.9	x4.7	-10.9	-1.8

West Bengal: West Bengal Minimum Wages Rules, 1951.

The draft West Bengal Minimum Wages Rules (vide page 40 of the report of this Office for July 1950) have been approved and gazetted on 27 December 1951. These rules deal with, inter alia, the term of office of the members of the Committee, the Advisory Committee, and the Board, the procedure concerning meetings of the Board and the Committee, summoning of witnesses and production of documents, computation and payment of wages, claims under the Act, and scale of costs in proceedings under the Act.

(Labour Department's Notification No.8073 Lab./112-17-51, dated 3 December 1951; the Calcutta Gazette, Part I, 27 December, 1951, pages 3361-3376).

Bombay: Minimum Rates of Wages fixed for Employees in Oil Mills, Tanneries and Leather Manufactories, Public Motor Transport, Stone-breaking or Stone-crushing Industries, Rice Mills, Flour Mills or Dal Mills, Road Construction and Building Operations, and Tobacco including Bidi-making Manufactories.

In exercise of the powers conferred by the Minimum Wages Act, 1948, the Government of Bombay has fixed the minimum rates of wages payable to the employees in oil mills, tanneries and leather manufactories, public motor transport, stone-breaking or stone-crushing industries, rice mills, flour mills or dal mills, road construction and building operations and tobacco including bidi-making manufactories. The minimum rates of wages consist of an all-inclusive rate allowing for the basic rate, the cost of living allowance and the cost value of the concessions, if any, and different rates have been prescribed for different areas. The minimum rates of wages will come into force with effect from 31 March 1952.

(The Bombay Government Gazette, Part IVA, 3 January 1952, pages 4-20).

Mysore: Minimum Rates of Wages payable for
Persons employed in Rice Mills, Flour Mills,
Dhal Mills, Public Motor Transport, Plantations,
Oil Mills, Tobacco Manufactories, and Tanneries:
Draft Proposals published.

The Government of Mysore published on 17 January 1952 the draft of certain proposals relating to minimum rates of wages payable to certain classes of ~~wages~~ ~~payable to employees~~ specified in various schedules, which the Government proposes to fix in exercise of the powers conferred by the Minimum Wages Act, 1948. The proposals relate to the minimum rates of wages payable to employees in any rice mill, flour mill or dhall mill, employees in public motor transport, employees in the plantations, employees in oil mills, employees in the tobacco (including bidi making) manufactories; and employees in tanneries and leather manufactories. The draft proposals are to be taken into consideration after 17 March 1952.

The minimum all-inclusive daily wages in some categories of employees are as follows:

In rice and flour mills: Coolies: Men - 1 rupee and women 12 annas.

In plantations: Men - 1 rupee 2 annas and women 14 annas.

In bidi-making: for rolling 1,000 bidis - 1 rupee 6 annas.

In the case of plantations, the rates do not affect the existing amenities provided to workers such as free housing, free medical aid and supply of fuel.

The monthly rates proposed for drivers, conductors and cleaners in public motor transport are 45 rupees, 30 rupees and 20 rupees respectively. These do not include the cost-of-living allowance and the cash value of concessions in respect of supplies of essential commodities, concession rates.

(The Mysore Gazette, Part IV-Section 2c, 17 January 1952, pages 21-28).

Uttar Pradesh: Minimum Wages fixed for Workmen in Vacuum-pan Sugar Factories.

In exercise of the powers conferred under the U.P. Industrial Disputes Act, 1947, the Government of Uttar Pradesh has by an order dated 11 November 1951 allowed certain increases in the wages of workmen employed in the vacuum-pan sugar factories.

Every vacuum-pan sugar factory in the State shall give the following increases in the wages of its workmen, prevailing during the crushing season 1945-46 on which the increases recommended by the Sugar Factories Labour (Wages) Inquiry Committee, U.P. and Bihar, were allowed in accordance with the decisions contained in Government orders, dated 24 January and 7 February 1947, respectively, on the main, and supplementary reports of the Committee.

Wage levels of 1945-46	Increase to be given
1) 22 rupees 8 annas.....	32 rupees 8 annas.
2) 23 rupees to 30 rupees.....	An increase of 32 rupees 8 annas
3) 31 rupees to 40 rupees.....	An increase of 28 rupees 14 annas
4) 41 rupees to 50 rupees.....	An increase of 26 rupees 8 annas
5) 51 rupees to 100 rupees.....	An increase of 24 rupees.
6) 101 rupees to 200 rupees.....	An increase of 24 per cent of wages.
7) 201 rupees to 300 rupees.....	An increase of 18 per cent of wages.

The order lays down the following conditions which every factory shall observe in giving increases: (i) no workman shall get less than 55 rupees per month as his wage; and (ii) increments earned by a workman in the usual course during the period from 1945-46 season to 1950-51 season shall be in addition to the increments sanctioned in this order.

The order will remain in force till the commencement of the next crushing season and every factory, shall continue to give all the concessions to its workman in addition to the wages sanctioned in this order.

(Government Gazette of the Uttar Pradesh, Part IA, 17 November 1951, pages 709-710).

39. International Economic Relations.

India - January 1952.

Tariff Commission constituted.

The Government of India announced on 7 January 1952 the constitution of an Indian Tariff Commission with Mr. G.L. Mehta, member of the Planning Commission, as chairman. Its two other members will be Dr. B.V. Narayanaswami Naidu and Mr. B.N. Adarkar both of whom are at present members of the Tariff Board.

Under the Tariff Commission Act, 1951 (vide page 45 of the report of this Office for September 1951) a maximum of five members can be appointed to the Commission. Besides the three members whose appointments have now been announced, more members will be appointed as and when necessary.

The constitution of the Tariff Commission gives effect to the recommendations made by the two Fiscal Commissions of 1921-22 and 1949-50 and also meets the desire expressed from time to time by industrial and commercial interests for a permanent body to examine and review cases of protection. By virtue of its constitution and its statutory character, the Commission is a quasi-judicial body, free from any political influence and from any possible interference from the executive.

Functions.— The functions of the Commission are much wider than those of the Tariff Boards in the past; these include (i) inquiry and report on the grant of protection for the encouragement of an industry, (ii) variations in the customs or other duties for the purpose of protecting an industry, (iii) action to deal with dumping, and with abuses of protection by a protected industry, (iv) inquiry and report on the effects of protection on the general ~~and~~ price level and cost of living, (v) the effects of tariff concessions given under trade or commercial agreements on the development of a specified industry, and (vi) certain other matters such as tariff anomalies. The Commission has been empowered to consider claims to protection, not only from established industries as hitherto, but also from industries which have not yet started production but which are likely to do so if granted suitable protection. A distinctive feature of the Tariff Commission is that it can on its own initiative start inquiries, with the exception of those relating to the initial grant of protection and the prices of particular commodities, whether protected or not. In these two latter cases, it can act only on reference from the Government. Another notable feature of the Commission is that it has the duty laid upon it to investigate into and report on the working of protection periodically and

into the special conditions that might have been imposed on a protected industry.

Principles.- The Tariff Commission, unlike the previous Tariff Boards, has been given wide discretion both in regard to the general principles relating to fixation of tariffs and the principles relating to the obligations of protected industries. Among the general principles to be taken into account is the effect of protection granted to an industry on other industries, including cottage and other small scale industries. The obligations laid on the protected industries into which the Commission must carry out investigation at suitable intervals relate to such matters as the scale of output, the quality of the product and the price charged for it, technological improvements and scientific research, training of personnel, the use of indigenous resources and in the case of embryonic industries the time within which they should start production.

Duration of protection.- Another feature of the Tariff Commission in which there is a break from the past is that the Commission will be free to decide the duration of protection according to the requirements of each industry, both for the initial grant of protection and at subsequent stages of its development and will not be restricted like the post-war Tariff Board to recommend protection for a period not exceeding three years. Moreover, the Tariff Commission Act requires the Central Government to report to Parliament, within three months of the submission of a report by the Tariff Commission, what action has been taken on it and if the report cannot be made, to explain the reasons for the same.

The Commission has taken over from the Tariff Board five cases relating to claims for protection including ball bearings and transformers, three relating to review of prices including retention of prices of steel produced by the Mysore Iron and Steel Works, tinplate prices and conversion rate for registered steel re-rollers and 42 cases relating to review of protection granted to industries.

(The Statesman, New Delhi, 8-1-1952;
The Bombay Chronicle, 23-1-1952)

(The Gazette of India, Part I, Section 1,
26 January 1952, p. 22)

CHAPTER 4. PROBLEMS PECULIAR TO CERTAIN
BRANCHES OF THE NATIONAL ECONOMY.

INDIA - JANUARY 1952.

41. Agriculture.

Standard of Living of Agricultural Workers:
Sample Survey of Conditions in Assam Village.

The report of a preliminary enquiry into the conditions of agricultural workers in the village of Magurpara in Assam State has been published recently by the Government of India¹. Village Magurpara in the Gauhati sub-division of Kamrup district is one of the two villages in Assam where the preliminary enquiry into conditions of agricultural workers was conducted during 1949. It is situated at a distance of about 22 miles south east of Gauhati, the capital of the State. It is a ryotwari village.

Population.- The population of the village was 365 of whom 120 were adult men, 91 adult women, and 154 children. There were 120 earners, of whom 68 were men, 51 women and 1 child. In addition, there were 93 helpers of whom 48 were men, 32 women and 13 children. Of the 152 dependants, as many as 140 were children, and 4 men and 8 women.

There were 62 families, of which 57 or 91.9 per cent were agricultural families and 5 or 8.1 per cent non-agricultural. Of the 57 agricultural families, 46 or 74.2 per cent were those of cultivating owners, 3 or 4.8 per cent non-cultivating owners, 5 or 8.1 per cent cultivating tenants, 2 or 3.2 per cent casual agricultural workers' families with land owned and 1 or 1.6 per cent of casual agricultural workers' families without land. The dearth of agricultural workers' families has to be viewed in the context that the bulk of the families were

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1. Government of India: Ministry of Labour: Report on an Enquiry into the Conditions of Agricultural Workers in Village Magurpara in Assam State: Published by the Manager of Publications, Delhi, 1951: Price Rs.1-12-0 or 2s.6d., pp.76.

peasant proprietors who managed their land themselves and generally did not employ hired labour except during the busy seasons when they could not cope with the work without the help of hired workers.

Size of family and earners.- The average size of the family was 5.8 for the village as a whole. Of these, 1.9 were earners, 1.5 helpers and 2.4 dependants. Of the 1.9 earners, 1.0 were men and 0.9 women. The average size of the agricultural workers' families with land was 5.5 consisting of 1.5 earners, 1.5 helpers and 2.5 dependants. Of the 1.5 earners, 0.5 were men and 1.0 women.

Size of holdings.- The distribution of holdings according to their size was as follows:-

	Percentage to total number of holdings.
i) Below 2 acres	13.8
ii) 2 acres and below 5 acres.....	36.2
iii) 5 acres and below 10 acres.....	44.8
iv) 10 acres and above.....	5.2

This shows that 50.0 per cent of the holdings were below 5 acres, only 5.2 per cent being 10 acres or more. It is noteworthy that of the 58 families with holdings 5 or about 8.6 per cent were non-agricultural families.

Rate of wages.- The rates of daily wages for casual workers were generally 1 rupee plus one midday meal worth 8 annas both for men and women.

Employment.- On an average, the number of days for which the agricultural workers with land were employed for wages was 96 in the case of men. The number of days for which a worker without land was employed was 184 in the case of men. In both cases all the days were accounted for by agricultural work alone.

Income and expenditure.- The agricultural workers' families with land earned, on an average, an income of 477.1 rupees per annum and the one without land earned 575 rupees per annum. In the case of the former, income from land and from household occupations other than farming came to 224.6 rupees and 36.5 rupees respectively, while the one family without land earned only 23.0 rupees per annum from household occupations other than farming. Of the total annual earnings, work in the fields fetched, on an average, 216.0 rupees or 45.3 per cent of the

total income in the case of agricultural workers' families with land and 552 rupees or 96.0 per cent of the total income in the case of landless workers' family. All the three families of casual workers with or without land had an annual income exceeding 420 rupees. The annual income per earner of an agricultural worker's family was 339 rupees on an average with a standard error of 119.9 rupees and a coefficient of variation of 35.4 per cent.

The agricultural workers' diet was poor both in quantity and quality. Further, it varied during the different seasons. On an average, the expenditure per agricultural worker's family with land was 637.9 rupees as against an annual income of 477.1 rupees. The expenditure on food was the highest, being 78.9 per cent of the total. Clothing and footwear accounted for 8.0 per cent and expenditure on fuel and lighting for 3.8 per cent. The miscellaneous group accounted for 49.4 ~~per~~ rupees or 7.7 per cent of the total expenditure, the main item, being soap, toilet, pan, supari, tobacco, education, medicine, etc. The expenditure on different consumption groups and their percentages to the total are given below:-

Group	Annual expenditure in Rs.	Percentage to total
Food.....	503.4	78.9
Clothing and footwear.....	50.7	8.0
Fuel and lighting.....	24.4	3.8
House repairs.....	10.0	1.6
Services and miscellaneous.....	49.4	7.7
Total.....	637.9	100.0

The annual expenditure of the agricultural worker's family without land was 698.0 rupees as against an annual income of 575.0 rupees. Expenditure on food was the highest, being 73.5 per cent of the total. Clothing accounts for 6.5 per cent and expenditure on fuel and lighting was 1.7 per cent, house repairs and miscellaneous items accounting for 7.2 and 11.1 per cent respectively. The expenditure on different groups and the percentages to the total are given below:-

Group	Annual expenditure in Rs.	Percentage to total
Food.....	513.0	73.5
Clothing and footwear.....	45.5	6.5
Fuel and lighting.....	12.0	1.7
House repairs.....	50.0	7.2
Services and miscellaneous.....	77.5	11.1
Total.....	698.0	100.0

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The annual average consumption of cereals and pulses per casual worker's family with land amounted to 40.0 maunds of paddy and 0.6 maunds of pulses. In the case of workers' families without land it also came to 40.0 maunds of paddy and 0.3 maunds of pulses.

The average expenditure per consumption unit of the agricultural worker's family was 163.4 rupees with a standard error of 12.3 rupees and a coefficient of variation of 7.5 per cent.

Indebtedness.- All the agricultural workers' families were in debt, the average debt per indebted family in the case of agricultural workers' with land came to 100 rupees as against 150 rupees in the case of landless worker's family.

Standard of Living of Agricultural Workers:
Sample Survey of Conditions in Orissa Village.

The Ministry of Labour, Government of India, has published recently, a report dealing with the conditions of agricultural workers in the village of Khuntuni, in the State of Orissa¹. The village was surveyed during the course of the preliminary agricultural labour enquiry during the period June to November 1949. Khuntuni, which was one of the two villages selected in Orissa for the enquiry, is a ryotwari village situated 14 miles from Cuttack, the capital of the State. The entire village is practically under dry cultivation.

Population.- The total population of the village was 311 at the time of the enquiry, of which 113 were men, 101 women, 59 boys and 38 girls. The total earning strength was 126 including men, women and children, of whom 29 were engaged only in non-agricultural pursuits and the remaining 97 in agricultural. Of these 126 earners, 92 were men, 27 women and 7 children. In addition, there were 24 helpers, of whom 13 were men, 6 women and 5 children.

There were 66 families of which 57 or 86.4 per cent were agricultural families and 9 or 13.6 per cent were non-agricultural families. Nineteen families were cultivating owners, 4 cultivating

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1. Government of India: Ministry of Labour: Report on an Enquiry into the Conditions of Agricultural Workers in Village Khuntuni in Orissa State. Published by the Manager of Publications, Delhi, 1951. Price Re.1 annas 12 or 2s.6d., pp.94.

tenants, 13 attached agricultural workers and 21 casual agricultural workers. Of the 13 attached workers' families one owned land and 12 held land free of rent. Of the 21 casual agricultural workers' families, 9 were with land owned, 5 with land taken on rent, one with land free of rent and 6 landless.

Size of families and earners.- The average size of the family was 4.7 persons for the village as a whole. Of these, 1.9 were earners, 0.4 helpers and 2.4 dependants. The average size of agricultural families was also 4.7 comprising 2.0 earners, 0.4 helpers and 2.3 dependants. The average size of attached agricultural workers' families was 4.5 composed of 2.9 earners, 0.2 helpers and 1.4 dependants, while that of 21 casual workers' families was 4.1 consisting of 2.2 earners, 0.4 helpers and 1.5 dependants. The average size of agricultural workers' families was 4.3 as against 4.7 for the village as a whole with a standard error of 1.8 and co-efficient of variation of 42.4 per cent. The average number of earners was the highest in the agricultural workers' families being 2.5 with a standard error of 1.4 and a co-efficient of variation of 55.5 per cent.

Size of holdings.- The distribution of holdings according to size was as follows:-

Size	Percentage to total number of holdings.
Below 2 acres.....	40.0
Above 2 acres, but below 5 acres.....	46.7
Above 5 acres, but below 10 acres.....	5.0
Ten acres and above.....	8.3
	<u>100.0</u>

This shows that 86.7 per cent of the holdings were below 5 acres, and only 8.3 per cent exceeded 10 acres. It is noteworthy that all the 9 non-agricultural families held some land.

Rate of wages.- Casual workers were generally paid in kind. No perquisite was allowed. The rate of daily wages for men were about 2 "gaunis" of paddy (equal to 5 seers of standard weight) for all operations, except harvesting for which, piece wages equal to one bundle for every 12 bundles cut were paid. The rates of kind wages for women and children were about 3.75 standard seers of paddy. Converted in terms of money, the daily wages were as follows: Men 12 annas and women and children 10 annas. The attached workers, whether male, female or children, were paid one "gauni" (2 1/2 seers) of paddy per day. During harvesting, they were allowed piece wages at the rate of one bundle for every 8 bundles cut by them, in addition to the usual wages.

Employment.- On an average, the number of days ~~xxxx~~ for which a male attached agricultural worker was employed for wages was 266.5, of which agricultural work accounted for 172.7 days and non-agricultural work for the remaining 86.9 days. The average number of days for which an agricultural worker was employed on work in fields for wages was 163.4 with a standard error of 54.5 and a coefficient of variation of 33.4 per cent.

Income and expenditure.- The 13 attached agricultural workers' families earned, on an average, an income of 267.6 rupees per annum. Of the total earnings, work in fields fetched, on an average, 177.4 rupees or 66.2 per cent.

The average annual earnings of 21 casual workers' families were 347.4 rupees, of which work in fields fetched 137.9 rupees.

Only 3 families of attached agricultural workers had an average annual income exceeding 420 rupees, while there were 5 families of casual agricultural workers having an average annual income exceeding 420 rupees. The annual income per earner (taking men, women and children together) in the case of agricultural workers' families taken together, was 152.1 rupees with a standard error of 73.9 and a coefficient of variation of 48.6 per cent.

The agricultural workers' diet was poor, both in quantity and quality. On an average, the expenditure per attached agricultural worker's family with land free of rent was 244.4 rupees (excluding expenditure on ceremonies and functions) as against an annual income of 251.3 rupees. The expenditure on food was the highest being 81.3 per cent of the total. Clothing and footwear accounted for 6 per cent and miscellaneous items for 11.4 per cent. The expenditure per casual worker's family with land owned was 376.3 rupees on an average as against an income of 404.8 rupees, the percentage expenditure on food, clothing and footwear and miscellaneous items being 69.2, 10.0 and 18.7 respectively. The average annual expenditure of 6 landless casual workers' families was 273.6 rupees as against an income of 280 rupees, the percentage expenditure of food, clothing and footwear and miscellaneous items being 68.7, 8.4 and 21.6 respectively. The expenditure of fuel and lighting, meat and fish and house repairs was negligible. Miscellaneous items included, expenditure on drinks and narcotics to which the villagers were mostly addicted. The high percentage expenditure on food and low expenditure on other items reflect a low standard of living.

The following table ~~gives~~ shows the average expenditure per family on the different groups and the percentage to the total for the attached and casual ~~agricultural~~ agricultural workers:-

Group	Attached Workers		Casual Workers	
	Expenditure in Rupees	Percentage to total	Expenditure in Rupees	Percentage to total
Food.....	206.9	81.3	222.3	67.5
Clothing and Footwear..	15.8	6.2	31.6	9.6
Fuel and lighting.....	0.2	0.1	1.9	0.6
House rent.....	3.4	1.3	6.2	1.9
Services and Miscellaneous	28.3	11.1	67.2	20.4
Total.....	254.6	100.0	329.2	100.0

The annual average consumption of cereals and pulses per attached worker's family with land free of rent amounted to 37.3 maunds made up of 37.1 maunds of paddy and 0.2 maunds of pulses. In the case of 9 casual workers' families with land owned, the annual consumption of cereals was 45.9 maunds and 0.9 maunds of pulses while in the case of 6 landless casual workers' families, the quantity of cereals consumed was 33.5 maunds and 0.4 maunds of pulses.

The average expenditure per consumption unit of the agricultural workers' families was 90.2 rupees with a standard error of 34.8 and a coefficient of variation of 38.6 per cent.

Indebtedness.- Of the 13 attached agricultural workers' families, 10 were in debt, the average debt per indebted family being 60.5 rupees while 14 out of the 21 casual workers' families were in debt, the average debt per family indebted being 49.5 rupees. Of the 34 agricultural workers' families, 20 families showed excess of expenditure over income and 14 excess of income over expenditure.

Punjab: Punjab Occupancy Tenants (Vesting of Proprietary Rights) Act, 1951 (No. VIII of 1951) and Punjab Abolition of Ala Malikiyat and Talukdari Rights Act, 1951 (No. IX of 1951): Measures for the Abolition of Landlordism and Vesting of Ownership in Tenants.

The President of India has enacted the Punjab Occupancy Tenants (Vesting of Proprietary Rights) Act, 1951, to vest proprietary rights in occupancy tenants and to provide for payment of compensation to the landlords whose rights are extinguished and for certain consequential and incidental matters. Under this Act, occupancy tenants will become full proprietors of their tenancies on payment of compensation as determined by the district collector.

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The reasons for the enactment appended to the Act declares that in March 1949, a Land Reforms Committee was appointed by the Government of Punjab to examine the tenancy legislation in force in the State and to suggest ways and means to ameliorate the economic condition of tenants. One of the recommendations of that Committee was that occupancy tenants should be given proprietary rights in their tenancies on payment of suitable compensation to the landlords. The Committee was of the view that conferment of proprietary rights in land on the actual tiller of the soil was in conformity with modern trends of thought. The Committee also felt that, because of the tension prevailing between occupancy tenants and their landlords, neither the tenant nor the landlord was in a position to develop the land to its utmost. The President has enacted the Punjab Occupancy Tenants (Vesting of Proprietary Rights) Act, 1951, in order to give effect to the recommendation made by the Land Reforms Committee.

The President has enacted another measure to abolish in the Punjab State the rights of superior proprietors, to confer full proprietary rights on inferior proprietors in land held by them and to provide for payment of compensation to the superior proprietors.

Entitled "the Punjab Abolition of Ala Malkiyat and Talukdari Rights Act, 1951", the measure extinguishes the rights of ala maliks and talukdars (superior owners in case of land in which the proprietary rights are divided between superior and inferior owners) on payment of compensation on the basis of eight years' annual income. The compensation will be payable by persons now paying the dues of the ala maliks and talukdars.

Both the enactments will take effect from the date the Acts are brought into force by the State Government.

(The Gazette of India, Extraordinary,
Part II, Section 1, 28 December 1951,
pages 555-564)

44. Merchant Marine and Fisheries.

India - January 1952.

New Port to be constructed at Kandla:
Foundation Stone laid by Prime Minister.

On 10 January 1952, the Prime Minister laid the foundation stone of a new port at Kandla which is situated on the Saurashtra-Kutch coast. The port is scheduled to be completed in 1955 and is expected not only to compensate for the loss of Karachi to India but to convert the barren waste lands of the Rann of Kutch into an important trade centre.

Mr. Gopaldaswami Ayyangar, Minister for Transport, who presided over the ceremony described the development of transport in India during the past four and a half years and said that, besides development of minor and major ports, great strides had been made in shipping and national highways.

(The Times of India, 12-1-1952).

West Bengal: Draft Towing of Barges Rules, 1951.

The Government of West Bengal published on 5 January 1952 the draft of Towing of Barges Rules, 1951, proposed to be made in exercise of the powers conferred by the Inland Steam Vessels Act, 1917. The draft rules prescribe, inter alia, the procedure for obtaining a certificate of inspection in respect of every barge carrying passengers, construction requirements of the barges and the equipments to be provided in every barge. The draft rules will be taken into consideration by the Government after 12 January 1952.

(The Calcutta Gazette, Extraordinary,
5 January 1952, pages 7-10).

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CHAPTER 5. WORKING CONDITIONS AND LIVING STANDARDS.

INDIA - JANUARY 1952.

50. General.

Bihar: Bihar Mining Settlements (Amendment) Act, 1951 (No. XL of 1951): Deterrent Punishment for Contraventions provided.

The Bihar Mining Settlements (Amendment) Bill, 1951 (vide page 52 of the report of this Office for September 1951) as passed by the Bihar Legislature, received the assent of the Governor of Bihar on 30 November 1951 and has been gazetted as Bihar Act No. XL of 1951. The Act enhances the penalties provided for obstructing the public health staff in the discharge of their duties or wilfully non-co-operating with it by not furnishing it with requisite information.

(The Bihar Gazette, Part IV, 19 December, 1951, page 248.)

Vindhya Pradesh: Vindhya Pradesh Factories Rules, 1951.

The draft Vindhya Pradesh Factories Rules, 1951 (vide page 46 of the report of this Office for May 1951) have been approved and gazetted on 22 December 1951. The rules deal, inter alia, with approval of plans and registration of factories, powers and duties of the inspecting staff, provisions relating to health, safety and welfare in factories, working hours of adults, employment of young persons, leave with wages, and special provisions relating to dangerous operations.

(The Gazette of India, Part III, Section 3, 22 December 1951, pages 1237-1273.)

52. Workers' Welfare and Recreation.

India - January 1952.

Mica Mines Labour Welfare Fund (Bihar and Madras) Rules, 1948: Amendment made for the Constitution of Advisory Committee for Rajasthan State.

By a notification dated 13 December 1951 and in exercise of the powers conferred by section 6 of the Mica Mines Labour Welfare Fund Act, 1946, the Central Government has made certain amendments in the Mica Mines Labour Welfare Fund (Bihar and Madras) Rules, 1948. The more important of the amendments extend the rules to the whole of India except the State of Jammu and Kashmir and provide for the constitution of an Advisory Committee for the State of Rajasthan. The Committee shall consist of the Labour Commissioner, Rajasthan, one representative of the Central Government, a member of the Rajasthan Legislative Assembly nominated by the Central Government on the recommendation of the Government of Rajasthan, two persons nominated by the Central Government, in consultation with the association, if any, representing mica mine owners of Rajasthan, two persons nominated by the Central Government ~~in the~~ to represent the interests of workmen employed in the mica mining industry of Rajasthan, and a woman nominated by the Central Government on the recommendation of the Government of Rajasthan if no woman has been nominated. The Labour Commissioner, Rajasthan, shall be the Chairman for the Advisory Committee for the State of Rajasthan and the Vice-Chairman of the Committee shall be appointed by the Central Government from among the other members.

(The Gazette of India, Part II, Section 3, 22 December 1951, pages 2169-2170).

Himachal Pradesh: Himachal Pradesh Welfare Officers (Recruitment and Conditions of Service) Rules, 1951.

The draft Himachal Pradesh Welfare Officers (Recruitment and Conditions of Service) Rules, 1951 (vide page 45 of the report of this Office for August 1951) have been approved and gazetted on 19 January 1952. The rules prescribe, inter alia, the duties, qualifications and conditions of service of welfare officers appointed under the Act.

(The Gazette of India, Part III, Section 3, 19 January 1952, pages 41-42).

55. Protection of Minors.

India - January 1952.

Mysore: Draft Mysore Employment of Children
Rules, 1951.

The Government of Mysore published on 10 January 1952 the draft Mysore Employment of Children Rules, 1951, proposed to be made in exercise of the powers conferred by section 7 of the Employment of Children Act, 1938. The rules regulate the procedure of inspectors appointed under the Act and makes provision for the grant of certificate of age in respect of young persons in employment or seeking employment, the medical authorities which may issue such certificates, the form of such certificate and the manner in which such certificates may be issued.

(The Mysore Gazette, Part IV-Section 2c,
10 January 1952, pages 15-16).

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58. Social Conditions.

India - January 1952.

Annual Meeting of Indian Conference of Social Work, Calcutta, 28 December 1951 to 1 January 1952: Government urged to create separate Ministry of Social Affairs.

The fifth annual session of the Indian Conference of Social Work was held at Calcutta on 28 December 1951. Dr. H.C. Mookerjee, Governor of West Bengal inaugurated the conference which was attended by about 500 delegates and observers representing social service agencies, educational institutions, universities, municipalities and State and Central Governments. Several representatives of the U.N., UNICEF, Japan, Burma, and Thailand were also present. Mrs. Achamma John Matthai presided. After the inaugural session, the meeting divided into four sections, namely, (a) "planning rural community development", (b) "planning welfare in industry", (c) "planning administration of social work and training of social workers", and (d) "planning social defence", and discussed various papers relating to these groups.

Mr. N.S. Mankiker, Chief Adviser of Factories, Central Ministry of Labour, addressing the section on "planning welfare in industry", said that much that was once left to the goodwill and social conscience of employers was now covered by law. In this respect the Factories Act, 1948, constituted a landmark in the history of social legislation in India. The most serious handicap in the implementation of the provisions of the Act, he said, had been the lack of strong public opinion which in other countries had played an important part in forcing the pace of social legislation. It was in this sphere that social services in this country had an important part to play.

Resolutions.- By a resolution the Conference commended to the Government the creation of a Ministry of Social Affairs at the Centre and in the States and departments of public welfare at the municipal and local levels to co-ordinate ~~these~~ social welfare activities all over the country.

By another resolution, the Conference suggested that Government should review the wages fixed in different States and take steps to see that the Minimum Wages Act was implemented with a view to achieving its social objective. It also suggested the establishment of a compulsory provident fund for industrial workers.

Office-bearers.- Dr. Jivraj N. Mehta, Minister for Public Works and Housing, Government of Bombay, was unanimously elected President of the Conference for 1952. Mrs. A. John Mathai, Mrs. M.K. Vellodi and the Maharani of Bhavnagar were elected Vice-Presidents.

(Summarised from a copy of Press Note issued by the Conference; The Hindu, dated 2-1-1952).

CHAPTER 6. GENERAL RIGHTS OF WORKERS.

INDIA - JANUARY 1952.

63. Individual Contracts of Employment.

Mysore: Mysore Industrial Employment
(Standing Orders) Rules, 1951.

The Government of Mysore published on 20 December 1951, the Mysore Industrial Employment (Standing Orders) Rules, 1951, made in exercise of ~~the~~ the powers conferred by the Industrial Employment Standing Orders Act, 1946. The rules which are on the lines of Industrial Employment (Standing Orders) Central Rules, 1946, prescribe, inter alia, the model standing orders for the purposes of the Act and the procedure for certifying the standing orders.

(The Mysore Gazette, Part IV-Section 2c,
20 December 1951, pages 309-319).

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66. Strike and Lockout Rights.

India - January 1952.

Coal Industry declared a Public Utility Service.

In exercise of the powers conferred by the Industrial Disputes Act, 1947, the Central Government 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 purpose of the Act for a further period of six months from 14 January 1952.

(Notification SRO 61 dated 6 January, 1952; The Gazette of India, Part II, Section 3, 12 January 1952, page 89).

Bihar: Motor Transport Industry declared a Public Utility Service.

In exercise of the powers conferred by the Industrial Disputes Act, 1947, the Government of Bihar has declared the motor transport industry in the State of Bihar to be a public utility service for a period of three months from 25 December 1951.

(Notification No. III/D-1-11036/51-L-(A)-136 dated 22 December 1951; the Bihar Gazette, Extraordinary, 26 December 1951, page 1).

Delhi: Cotton Textile Industry declared a Public Utility Service.

In exercise of the powers conferred by the Industrial Disputes Act, 1947, the Chief Commissioner of Delhi has declared the cotton textile industry in Delhi State to be a public utility service for a further period of six months with effect from 4 October 1951.

(Notification No. F 9(60)/50-Dev. dated 29 September 1951; the Gazette of India, Part III, Section 3, 13 October 1951, page 1010).

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Bihar: Recommendations of "Go-Slow" Committees
accepted.

The Government of Bihar by a resolution dated 1 December 1951 has accepted the recommendations of the "Go-slow" Committee appointed in April 1951, to go into the question of go-slow tactics adopted by workers in industries and which were discussed at the ninth meeting of the Bihar Labour Advisory Board (vide pages 1-4 of the report of this Office for September 1951). The resolution further urges the employers and workmen to give their unqualified support to the recommendations.

(Supplement to the Bihar Gazette,
12 December 1951, pages 647-650).

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67. Conciliation and Arbitration.

India - January 1952.

New Tribunal for Bank Disputes appointed.

The Government of India has, by a notification dated 5 January 1952, appointed a new Industrial Tribunal for the adjudication of disputes in the banking companies. The following ~~names~~ are the members of the Tribunal whose office will be in Bombay: Mr. S. Panchapagesa Sastri, retired judge of the Madras High Court - Chairman; Mr. M.L. Tannan, formerly of the Sydenham College of Commerce and Economics, Bombay, and Mr. V.L. D'Souza, Professor of Economics, Maharaja's College, University of Mysore - Members.

The more important of the 34 issues referred to the Tribunal relate to scales of pay, dearness, house-rent and travelling allowances, bonus, provident fund, gratuity, pension, leave rules, hours of work and overtime, medical aid and expenses and recognition of the All-India Bank Employees' Association.

The Government of India has also issued an order on 5 January 1952 under the Industrial Disputes Act prohibiting the continuance of strikes in existence in certain banks, viz., Bank of India Limited, Bank of Baroda Limited and Bank of Jaipur Limited.

By another notification dated 8 January 1952 the Central Government has referred to the tribunal for adjudication 415 individual cases of dispute existing between certain banking companies and workmen employed in the banking companies.

(The Gazette of India, Extraordinary,
Part II, Section 3, 5 and 8 January 1952,
pages 37-43, and pages 51-60).

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68. Labour Courts.

India - January 1952.

Employers' Right to close down Business:
Madras High Court's Judgment.

The very important question whether an employer can close down his business temporarily or permanently and whether the Government or an Industrial Tribunal could direct that the employer should continue the business has been discussed fully in the judgment dated 3 November 1951 of the Madras High Court in Indian Metal and Metallurgical Corporation V. Industrial Tribunal, Madras and others, both from the point of view of the Constitution and of the Industrial Disputes Act. The High Court, after reviewing the American decisions on the subject has held that the State cannot compel the owner of a business to continue the same and that the question whether an employer could or could not close down his business falls outside the purview of the Industrial Disputes Act. The award of the Industrial Tribunal, Madras, which directed the petitioners to continue to work their factory was therefore held to be void.

The Indian Metal and Metallurgical Corporation carried on, inter alia, the business of manufacture of brass, copper and aluminium sheets at Mettur (South India) and it had a factory at Madras where brass and stainless steel utensils were manufactured. On 3 February 1951 the management put up a notice stating that as the Factory at Mettur was closed, raw materials could not be procured and that the work in the factory at Madras would be suspended from 17 February 1951. The workers did not turn up to receive the wages due to them and the Government of Madras referred for adjudication to the Industrial Tribunal at Madras an industrial dispute alleged to have arisen between the workers and the management. The matters in dispute were (1) whether the closure of the factory was justified, (2) whether any compensation should be paid to the workers, (3) whether the discharged persons would have preferential claim for re-employment at the time of the re-opening of the factory and (4) whether the discharge of certain workers was justified.

The Industrial Tribunal went into the question whether the management was justified in closing the factory and dealt with the several reasons put forward by the management for the closure. The first reason put forward was that necessary raw materials were not available for continuing the work of the factory. The Industrial Tribunal found that though it was difficult to get steel during the period, it was not impossible to do so and that in any case,

there was sufficient steel available with the company to carry on the manufacture in steel for some appreciable period. Even if there was a comparable shortage of brass in the local factory, the shortage could have been easily overcome through purchase in the open market. In the opinion of the Industrial Tribunal the installation of new machines would hardly involve the closure of a factory. The Tribunal also rejected the third reason that the management was justified in closing the factory and there could be no complaint by the workers as they were all temporary hands. The last reason was that the factory was working at a loss. Though certain extracts from the accounts were filed before the Tribunal to show that the factory was working at a loss, the Tribunal held that prima facie the local factory should have earned a considerable profit. ~~more particularly since the Mettur factory was said to have resulted in heavy loss.~~ The Industrial Tribunal did not go into the question whether the petitioner had an inherent and fundamental right to close down the factory.

An application was made to the High Court by the management under Article 226 of the Constitution for the issue of directions and for the quashing of the award. It was ~~submitted~~ submitted that the management could not in law be compelled to continue the business, if it did not desire to continue it and that the right of an employer to close his factory whenever he desired to do so subject to the legal rights of the workmen to wages and other benefits was part of the fundamental right of property guaranteed by the Constitution. The employer could not be forced to continue to run his factory; nor could he be compelled to carry on his business to enable the workers to earn wages.

The workers met the plea that the management could not be compelled to continue the business with the assertion that the management was wrong in thinking that in a democratic Republic State the management could throw out its workers at its whims and fancies and close down the factory to suit its convenience and pleasure.

The High Court has ~~not~~ held that the right to carry on any business conferred by article 19(1)(g) of the Constitution is not absolute because clause (6) of the same article empowers the State to impose restrictions on this right, such restrictions being reasonable and in the interests of the general public. Moreover, the freedom of contract is not declared or recognised by the Indian Constitution. The legislature can therefore, in the interests of a large section of the public, e.g., industrial workers, provide directly or indirectly for the fixing of reasonable and adequate wages and generally regulate their conditions of service. The Industrial Disputes Act which is such a piece of legislation is not therefore void in toto as being inconsistent with the Constitution.

Though the State may have the power to regulate the carrying on of the business of a running business, it cannot compel a person to carry on a business against his will and that the grounds on which a person decides to close down his business cannot be gone into by the Court. The question whether an employer could or could not close down a business permanently or temporarily falls outside the purview of the Industrial Disputes Act. No doubt the term "industrial dispute" has been very widely defined in Sec.2(k) of the Act; but the definition of an "industrial dispute" and the Act taken as a whole assume the continued existence of an industry. The Act does deal with lock-outs and strikes. "In the case of a lock-out, the industry as such is not closed down even temporarily; only particular workers are refused work. Closing down a business even temporarily is distinct and different from a lockout, just as the discontinuance from service of an employee is not the same thing as a strike. While therefore the Industrial Tribunal has got the jurisdiction to adjudicate on the question whether a particular lockout was justified or not, it cannot decide the question whether an employer can close down his business temporarily for an indefinite period or permanently. There cannot be dispute strictly so-called between an employer and an employee as regard to continuance of the business itself. This question is a completely outside the Industrial Disputes Act".

(The Indian Factories Journal,
Vol.III, Part XI, January 1952,
pages 420-431).

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CHAPTER 8. MANPOWER PROBLEMS.

INDIA - JANUARY 1952.

81. Employment Situation.

Employment Exchanges: Working during
November 1951.

Employment situation.- According to the report on the work done by the Directorate of Employment Exchanges during November 1951, there was an appreciable improvement in the overall employment situation due to the winter constructional activity. The number of vacancies notified by employers shot up to just under 42,000 with the result that placings showed a more than proportionate rise. The most heartening feature was that over 24,000 of the vacancies were notified by private employers. Despite an increase of over 28,000 registrations during November, the total number of registered unemployed fell (by over 3,500) to a little over 327,500. This was noteworthy because although a number of new exchanges have been in the field during the last 18 months (thereby widening the field of registration) the register contained, at the end of November 1951, the lowest number of unemployed persons since June, 1950.

A shortage of draughtsmen, overseers, compounders and nurses was reported by a number of exchanges. Doctors were reported to be in demand at Allahabad, Cuttack, Sholapur, Amritsar, Calcutta and Amravati. There was a shortage of concrete-mixer drivers at Lucknow and hollow concrete-block machine operators at Jamshedpur and Patna. Pattern makers were in short supply at Howrah and Asansol. The exchanges at Jalgaon, Indore, Trichirapalli, Amravati and Delhi experienced difficulty in meeting demands for welders. Unfilled vacancies existed for physical instructors at Madurai and Tiruchirapalli and for health visitors at Jamshedpur, Patna, Ferozepur and Calcutta. While it was difficult to find aircraft mechanics at Bangalore, masons were not available at Sholapur. The exchanges at Bareilly, Ahmedabad, Amritsar, Raipur, Madras, Amravati and Visakhapatnam experienced difficulty in finding suitable applicants for recruitment as police constables. X-ray technicians at Lucknow, Jhansi and Allahabad and photographers at Bareilly were reported to be in short supply.

A surplus of motor-mechanics was felt at Asansol, Calcutta and Madras. The exchange at Bombay experienced difficulty in finding suitable employment for chemical engineers. Blacksmiths at Jalgaon and nursing orderlies at Madras were also surplus to requirements. The exchange at Kanpur, Gorakhpur,

Jalgaon and Howrah reported that no suitable vacancies for fitters existed in their areas. Ayaha at Darjeeling and sweepers at Jalgaon, Bombay, Ferozepur, Bangalore and Ajmer were reported to be far in excess of demand. Applicants desirous of being considered only for vacancies of postmen could not be placed in employment at Cuttack, Sholapur, Indore, Madurai and ~~Konikode~~.

Registration and placement.- Registrations for employment and placings made during the month and the previous month are shown below:-

	November 1951	October 1951
Registration	116,798	88,616
Placements.....	36,235	28,494

Of those registered 9,369 were displaced persons, 8,425 were ex-service personnel and 3,088 discharged Government employees. There was an increase of 28,182 in registrations during November as compared with the previous month. Registrations during the previous month was exceptionally low due to the lesser number of working days and the increase in registrations during this month was only a return to the normal. All the regions recorded an increase in registrations during the month. Comparatively large increases were recorded in West Bengal (5,934), Uttar Pradesh (5,841), Madras (3,089), Bombay (2,984), Bihar ~~(2,876)~~ (2,787), Delhi, Ajmer and Rajasthan (2,676) and Punjab (1,863).

Placings during the month recorded an increase of 7,741 over the figures of the previous month. All the regions except Assam and the Madras showed, after the October holidays, a reversal to normal placing figures. The rise was comparatively large in Uttar Pradesh (2,152), Bombay (1,725), Bihar (1,606), West Bengal (1,418), and Delhi, Ajmer and Rajasthan (515).

The following table shows the placings classified by wage groups:-

<u>Wage group</u>	<u>Number placed</u>
101 rupees per month and above.....	2,497
Between 61 and 100 rupees per month..	9,553
Between 30 and 60 rupees per month...	22,546
Below 30 rupees per month.....	1,639

Vacancies notified and submissions.- The number of vacancies notified by employers during November 1951 was 41,927 as compared with 35,177 during

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October, that is, a rise of 5,750. Of the vacancies notified 17,861 were by Central and State Government establishments and 24,066 by private employers. There was an increase of 1,152 and 5,598 respectively in the Government and private sectors as compared to the previous month. The rise in vacancies notified was marked in the regions of Uttar Pradesh (2,571), Bombay (1,576), West Bengal (1,152), Bihar (746), Punjab (514) and Orissa (439). On the other hand there was a slight decrease in notifications in the regions of Madras (203), Madhya Pradesh (51) and Assam (39).

The number of persons submitted to employers during ~~the~~ November 1951 was 90,761 as compared with 73,560 during the previous month.

Employers using exchanges.— The number of employers who used the exchanges during November was 6,437 as compared with 5,667 during October 1951. Of these 49.8 per cent were private employers.

Employment of highly qualified applicants.— Employment exchanges registered 728 applicants of the Appointment's Branch Standard (persons possessing high technical, scientific or professional qualifications and supervisory or administrative experience) and placed 129 in employment. The corresponding figures for the previous month were 522 and 78.

Placing of Scheduled Caste applicants.— The number of Scheduled Caste applicants registered by the employment exchanges during November was 13,253 as against 9,789 in October 1951. A total of 4,936 applicants were placed in employment during the month under report. Among those placed 1,088 were placed in Central Government vacancies, 738 in State Governments vacancies and 3,110 in other vacancies. The number of Scheduled Caste applicants submitted to employers during the month was 9,592. 249 vacancies meant specifically for Scheduled Caste applicants were notified to employment exchanges during November. At the end of the month 29,253 Scheduled Caste applicants remained on the Live Registers of exchanges of whom 1,023 were women.

Employment assistance for women.— Both the registration and placing figures of women applicants showed a steep rise over the figures relating to the previous month, and, the employment exchanges registered 4,404 and placed in employment 2,143 such applicants against 2,906 and 1,460 respectively in the previous month. Lack of mobility continued to be one of the main obstacles in placing more women applicants in employment. Their reluctance to accept private jobs and their lack of experience was reported by the employment officers, Meerut, to be a ^{major reason} for placing women applicants in employment. Similar reasons were also given by the employment officers in Jhansi,

Nagpur and Shillong.

Vacancy and labour clearing.- During the month under report the Vacancy Clearing Machinery was utilised ~~xxx~~ to fill 595 vacancies by applicants from other exchanges areas as against 552 vacancies filled in this manner during October 1951. Three hundred and thirteen fresh vacancies as compared to 191 in the last month were received through Regional Employment Co-ordination Offices and employment exchanges at the Central Employment Co-ordination Office for wider circulation, of which 302 were given all-India circulation and the remaining 11 limited circulation. The number of vacancies under wider circulation at the end of the month was 995 as compared to 827 at the end of October 1951. In addition to this about 400 vacancies for recruitment of constables for the Bihar Railway Protection Force, Patna, 135 vacancies in different trades for aircraft apprentices, 90 vacancies of overseers in the Office of the Chief Settlement Commissioner and 11 miscellaneous vacancies requiring all-India or limited circulation were dealt with at the Central Employment Co-ordination Office.

Mobile exchanges.- The work ~~is~~ performed by mobile exchanges showed considerable improvement during November. 9,922 registrations and 8,134 placings were effected against the corresponding figures of 6,165 and 4,481 relating to the previous month.

Number of unemployed.- The number of persons seeking employment assistance on the last day of November 1951, was 327,660, as against 324,128 on 31 October 1951. Of these 37,644 were displaced persons, 32,452 ex-services personnel and 11,354 discharged Government employees.

Work of inspectorate.- The officers of the Central Inspectorate visited three sub-regional exchanges in the U.P. and 7 exchanges in the Punjab during November 1951. In addition to the inspection of these exchanges, inspecting officers imparted training to the staff. Inspections have revealed an over-all satisfactory performance of work but it was observed that the exchanges have had to curtail some of their activities on account of financial stringency and shortage of staff.

(A Report on the Work Done by the Directorate of Employment Exchanges During the Month of November 1951, issued by the Ministry of Labour, Government of India).

85. Migration and Colonisation.

India - January 1952.

North Borneo invites Indian Settlers:
Request under consideration.

It is understood that the Government of British North Borneo has requested the Government of India to permit emigration of 10,000 Indian settlers, preferably from South India, with their families for permanent residence in Borneo.

The Borneo Government is understood to have offered the settlers attractive terms which will give them complete equality of status with all other British citizens in the colony there today. They will also be provided with land for the cultivation of rice and other crops and in addition other avenues of employment, such as, Government service, will be open to them. The Borneo Government will pay all costs of their transport.

The matter is under consideration by the Indian Government. Meanwhile it has asked for more information as to the size of the holdings which the settlers will be given and the equipment and financial assistance that the Government of North Borneo will provide.

(The Statesman, 10 and 20-1-1952).

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CHAPTER 9. INCOME SECURITY.

INDIA - JANUARY 1952.

92. Legislation.

Mysore: Compensation for Occupational Diseases:
Silicosis included in Schedule III to Workmen's
Compensation Act, 1923.

By a notification dated 20 December 1951 and in exercise of the powers conferred by sub-section (3) of Section 3 of the Workmen's Compensation Act, 1923, the Government of Mysore has added 'miners' phthisis or silicosis to schedule III of the Act containing a list of occupational diseases for which compensation is payable under the Act. The following addition to the schedule has been made:

Occupational Disease.	Employment.
Miners' Phthisis or Silicosis..	Any occupation wherein the mineral dust is such as to cause silicosis.

(The Mysore Gazette, Part IV, Section 2c,
27 December 1951, page 223).

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CHAPTER 11. INDUSTRIAL SAFETY.

INDIA - JANUARY 1952.

111. Prevontion of Accidents.

Coal Mines (Conservation and Safety) Ordinance, 1952 (No. I of 1952) promulgated: Measure to provide for the Conservation of Coal and for Safety in Coal Mines.

The President of India promulgated on 8 January 1952 an Ordinance to provide for the conservation of coal and to make further provision for safety in coal mines.

The Ordinance provides for the setting up of a Coal Board for the purpose of maintenance of safety in coal mines and for the conservation of coal. The Board shall consist of a chairman and such number of other members not exceeding four, to be appointed by the Central Government. Advisory Committees may also be appointed by the Central Government to advise the Board or the Central Government in regard to any matter connected with the administration of the Ordinance.

The Ordinance, which applies ^{also} to all coal mines belonging to the Government, empowers the Government to levy, from a date to be notified, an excise duty of up to one rupee per ton on all coal and coke despatched from the collieries. The rate of duty may be fixed from time to time and different rates of duty may be levied on different grades of coal or coke. The Government may also levy an additional excise duty of up to rupees five per ton on coal of selected grades A or B, and up to rupees two per ton on coal of grade I.

The Ordinance further empowers the Government of India to levy a customs duty, at rates equivalent to the excise duty, on all imported ~~raw~~ coal. The proceeds of the excise duty will be paid by the Government to the Coal Board and these will be credited to a fund called the Coal Mines Safety and Conservation Fund, which will be utilised to meet the Board's expenses.

The Ordinance repeals the Coal Mines Safety (Stowing) Act of 1939, but adds that any action taken in exercise of powers conferred by the Act on the Coal Mines Stowing Board will be deemed to have been taken by the Coal Board.

In pursuance of sub-sections (1) and (2) of section 4 of the Ordinance, the Central Government by a notification dated 8 January 1952 has established a Coal Board with Mr. A.B. Guha, Coal Commissioner as its chairman. Its three other members will be Mr. N. Barraclough, Chief Inspector of Mines, Mr. M.L. Shome, Deputy Coal Commissioner (Production), and Mr. I.S. Malik, Deputy Coal Commissioner (Distribution).

The first meeting of the Board was held on 18 January 1952. It was decided to collect more data about the supply and requirements of high grade coal before launching its scheme for conservation. As regards safety in mines, the Board felt the arrangement for stowing should continue.

It also took action to acquire funds of the former Coal-Mines Stowing Board and decided that monetary benefit which collieries had been receiving prior to the constitution of the Board should continue. The Board also considered the question of setting up various advisory committees consisting of representatives of the Government, Industry and Labour to help carry out its work.

(The Gazette of India, Extraordinary, Part II, Section 1, 8 January 1952, pages 1-8; The Gazette of India, Extraordinary, Part II, Section 3, 8 January 1952, page 49; - - The Hindustan Times, 21-1-1952).

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LIST OF THE PRINCIPAL LAWS PROMULGATED DURING
THE PERIOD COVERED BY THE REPORT FOR JANUARY
1952.

INDIA - JANUARY 1952.

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- (1) Punjab Occupancy Tenants (Vesting of Proprietary Rights) Act, 1951 (No. VIII of 1951) (the Gazette of India, Extraordinary, Part II, Section 1, 28 December 1951, pages 555-560).
- (2) Punjab Abolition of ~~the~~ the Ala Malikiyat and Talukdari Rights Act, 1951 (No. IX of 1951) (the Gazette of India, Extraordinary, Part II, Section 1, 28 December 1951, pages 560-564).

Chapter 5. Working Conditions and Living Standards.

Bihar Mining Settlements (Amendment) Act, 1951 (No. XL of 1951) (Bihar Gazette, Part IV, 19 December 1951, page 248).

Chapter 11. Industrial Safety.

Coal Mines (Conservation and Safety) Ordinance, 1952 (No. 1 of 1952) (The Gazette of India, Extraordinary Part II, Section 1, 8 January 1952, pages 1-8).

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